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City and County of San Francisco

SMALL BUSINESS COMMISSION

Notice of Meeting & Agenda For Monday, January 9, 2006

City Hall, Room 400

5:30PM

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COMMISSIONERS:
David Sahagun, President
Norman Ishimoto, Vice President
Florence Alberts
Michael E. O'Connor
Dr. Raye Richardson
Jordanna Thigpen
Richard Ventura

Agnes Briones, Executive Director
Commission Secretary, Martha Yañez

1 DR. CARLTON B. GOODLETT PLACE, ROOM 448 SAN FRANCISCO, CALIFORNIA 94102
(415) 554-6134

1. Roll Call for the January 9, 2006 meeting of the Small Business Commission
2. Approval of the November 14 and December 12, 2005 Small Business Commission meeting minutes (Action Item)
3. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
4. Presentation, discussion and possible action on File No. 051919 [Worker Health Care Security Ordinance], Ordinance amending the San Francisco Administrative Code by adding Sections 14. 1 through 14.10, to require that employers operating within San Francisco make health expenditures on behalf of employees, set penalties and provide for enforcement, and creating a health security task force to analyze among other related issues, the desirability and feasibility of imposing a fee on employers to provide health care for employees (Discussion/Action Item). *Explanatory Documents: File No. 051919*
5. Presentation, discussion and possible action on proposed Resolution urging the Board of Supervisors, the Mayor, and the Controller to complete an economic impact analysis of the proposed Worker Health Care Security Ordinance (File No. 051919), mandating certain health expenditures by small businesses and non profit organizations with twenty (20) or more employees, and urging the Mayor to create a body comprised of representative community leaders and members of the Small Business Commission to explore collaborative approaches to increased health care access. Presentation by Director Briones Ubalde (Discussion/Action Item). *Explanatory Documents: Proposed Resolution*
6. Presentation, discussion and possible action on File No. 051604 [Payroll Expense Tax Exclusion for persons who hire the disabled and the indigent], Ordinance amending the Payroll Expense Tax Ordinance to establish a tax exclusion for persons who hire the disabled and the indigent ~~homeless~~, as specified. Presentation by Sarah Ballard of the Office of Supervisor Allioto-Pier (Discussion/Action Item). *Explanatory Documents: File No. 051604*
7. Presentation, discussion and possible action on the proposed Green Business Program, Ordinance amending the Environment Code by adding Chapter 15 to authorize a City-wide Green Business Program (Discussion/Action Item). *Explanatory Documents: Green Business Program*
8. Presentation and update on Prop I and the Economic Development Plan. Presentation by Jennifer Entine Matz of the Mayor's Office of Economic & Workforce Development (Discussion Item)
9. Budget Committee Report – allows the Chair to report on recent committee activities and make announcements (Discussion item)
10. Legislation and Policy Committee Report -allows the Chair to report on recent committee activities and make announcements (Discussion item)
11. Community Outreach Committee Report -allows the Chair to report on recent committee activities and make announcements (Discussion item)
12. President's Report –allows the president to report on recent small business activities and make announcements (Discussion item)
13. Vice President's Report –allows the vice president to report on recent small business activities and make announcements (Discussion item)
    - Emergency Preparedness Task Force Update
14. Director's Report – allows the director to report on recent small business activities and make announcements (Discussion item)
15. New Business –allows the Commissioners to introduce new agenda items for future consideration by the Commission. See some items below among possibly others (Discussion item)
16. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
17. Adjournment (Action item)

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Explanatory Documents: Copies of proposed legislation and other related materials listed in this agenda are available for public inspection and/or copying at City Hall room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

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City and County of San Francisco
Small Business Commission

January 09, 2006

CITY AND COUNTY OF SAN FRANCISCO

SMALL BUSINESS COMMISSION

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

MEETING MINUTES

Monday, January 9, 2006 5:30 PM

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19/06

____Small Business Commissioners____

David Sahagun, President
Norman Ishimoto, Vice President
Florence Alberts, Michael O'Connor, Dr. Raye Richardson, Jordanna Thigpen, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

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Members Absent: None

Call to order:

Item 1 - Roll Call
The Small Business Commission met on Monday, January 9, 2006 in regular session. The meeting was called to order at 5:34PM

Item 2 - Approval of minutes for the November 14 and December 12, 2005 meetings of the Commission (Action Item)
Commissioner Sahagun made an amendment to the December meeting minutes, Item 3. He responded to a comment made by Mr. Rolf Mueller about the commissioners' absence, stating that in this case Commissioner Ventura had been excused. He wanted this noted in the minutes. Commissioner made a motion to approve both the November and December meeting minutes with amendments. Commissioner Richardson seconded. The Commissioner unanimously approved the minutes with amendments to the December minutes.

Item 3 - General Public Comment (Discussion Item)
Andre Angelantoni, a member business of the SF Chamber of Commerce informed the Commission of a new conference.

Item 4- Presentation, discussion and possible action on File No. 051919 [Worker Health Care Security Ordinance]
Director Briones Ubalde provided some background on the issue, stating that Tomas Lee of Supervisor Ammiano had attended the previous months meeting of the Commission at which time the item had been placed on the agenda as a discussion item only. She said that the Commissions goal was to gain input from the small business

community. She said the Commission would be hearing from the community again in the hopes of garnering more comments and based on those comments they would be taking an action on the proposed legislation. She said the proposed legislation would require employers in San Francisco with 20 or more full time employees to make health expenditures on behalf of those employees at a rate of $345 per month per employee. She said the legislation as it is currently written would require employers to cover non San Francisco residents. Commissioner Richardson went on the record stating that she was totally opposed to the proposed legislation when it was before the Commission last month. **John Loh**, a member of the public and business owner of SVC Holdings Corp., stated that he operates a small business in the Tenderloin area of San Francisco. He said he employs 20 part time workers and 30 full time workers. He said this is another example of the city thinking backwards, adding that they continue to want to dump their problems on the backs of small businesses. He said the proposed legislation was ludicrous on top of everything else, and said that if it passes, he would have to close up and the city would loose 50 much needed jobs. **Laurie Thomas** a member of the public and owner and manager of Rose Pistola and Rose's Café, of which Nice Ventures is the Management Group. She said she is 100% in support of health care, but said that they have some real concerns with respect to the legislation. She said they have about 160 employees between the two restaurants, of which about 80 of them or 50% work on average 28 hours per week or more. She said that they are in the process of opening a third restaurant, which would employ additional 40-60 employees, bringing the total employees to about 200. She reported that they currently pay health care to all the full time managers, including chefs, sue chefs, floor managers, general managers and her office team, paying 85% of the premium, which by the way she said is $269 per month, which she attributed to the age of her employees. She said they pay dental, vision and medical. She said they pay half of the premium for their employees that work 28 hours per week on a rolling 6 month average, stating that the half of the premium they make available to anyone that wants to pay it. She said that they use 28 hours per week because they are not your Starbucks or Walgreens, big employers that could afford that. All together she said that they pay about 100 thousand per year in health insurance. She said if one does the math with the number of employees they currently have, under the proposed legislation they would be paying a total of 362 thousand per year, stating that that does not count the 3rd restaurant which will open sometime in March. She said this is terrifying, adding that they took a hit last year with Prop. L, having to pay their servers $8.82 per hour, which she said as a result the servers now average $22 per hour. She said that this hit cost them 250 thousand per year combined. She said that she has been through having to close down a restaurant and eliminating 60 jobs, and suggested that the city consider that their might be another way to do this. **Steven Falk**, President and CEO of the San Francisco Chamber of Commerce representing over 1800 businesses in San Francisco. He said that San Francisco businesses have a long history of enlightened workplace practices, from domestic partner benefits to higher than average wages. He said the San Francisco Chamber and all their colleagues in the business community share in the concern that health care benefits be extended to as many of the working uninsured as possible. However, he said that they know and experts have confirmed that health care is a matter of access, delivery, affordability, and the cost of care. He said that their problem with the proposed legislation is that it does nothing to address any of these fundamental issues. Instead he said it sets an artificial cost requirement that does nothing to improve access and delivery, nothing to develop a low cost health insurance product that would be affordable to small businesses and non profit organizations, and it does nothing to get at the problem of rapidly rising health care costs. Instead he said it will hurt many businesses, stating that the Commission would hear form many of these businesses that it will impact. He said that it would also penalize many employers that already provide and offer insurance to their employees, and last but not least, he said it does nothing for the 95 thousand city residents who work outside the city of San Francisco. He ended by stating that the Chamber of

Commerce and all of the businesses it represents, strongly recommend setting aside this legislation and proactively finding ways to address the real issues of cost delivery and access of health care. They recommend completing the audit of the Public Health Department, completing a thorough Prop I Economic Analysis before passage of any legislation; create a broad task force to look at the real solutions, stating that there are many very smart people in the city who understand the real issues surrounding health care and its access and the delivery. Finally they recommend examining ways of providing lower cost health care insurance products for small businesses and non profit organizations. He said that the Chamber of Commerce has convened representatives from a wide range of businesses and organizations and said that they stand ready to participate and help solve the real issues and problems facing San Franciscans across the city. **Patrick Regan**, a member of the public and with an organization called CVE. He said that they are a group who provide job training and placement for individuals with psychiatric disabilities, stating that they do this by actually owning and operating their own small businesses. He said that as such they have some concerns regarding this. He said that as a small business owner, the businesses provide revenue that they can use in their programs and also provide the training opportunities for their clients. He said that they are concerned that this would cause them to have to reduce the number of training opportunities which will affect the kinds of services they can provide to their clients. He said they are also concerned that many of their clients receive medi care benefits, stating that if they were to start receiving health care through their employer they would possibly loose their medi care benefits if they loose their job and may also have difficulty qualifying in the future as a result. Finally he said that they have found that many of their clients actually benefit from getting part time work, stating that it could be their final goal, stating that they are concerned that this could reduce the number of part time employment opportunities that are available in the city. **Dan Scherotter**, a member of the public and owner of Palio d'Asti Restaurant and Palio Panino Techa in San Francisco thanked the Commission for holding this meeting and allowing the voices of small business owners be heard. He said that as a San Francisco home owner and business owner he said that this is a road to hell paved with good intentions. First he asked why the city pays $130 more per month than the average San Francisco employer, stating that when the city employs about 25 thousand employees, it should have pretty good bargaining power. He said that he is just a small business owner, but said that it seems that if the Supervisors could get the tax payers a discount of about 39 million dollars a year if they shopped around, might this be a way to insure the uninsured in San Francisco without driving all of the small businesses out of town. He asked about the exurbanite DPH budget, stating that if our DPH overspends your average city by 7 times per person, he asked "where does our money go." He said if he has to pay this and he wants to stay in business, he would have to raise prices, lay off employees, cut hours and pay and then he said he would outsource as much production as possible to Daly City, Emeryville and other places that have a lower minimum wage and no health care requirement. He said he had already talked to other chefs about setting up a pastry and prep business in Daly City and firing his production staff at the restaurant as much as possible just so that they can stay open. He said that most of the unskilled and replaceable workers will be out of work permanently. He asked if this is Supervisor Ammiano's goal, the elimination of unskilled labor in San Francisco. He asked if he was so dense that he doesn't understand that small businesses are no more able to stomach medical inflation than the public at large. He said he would not buy anything, , meat, fish, produce, specialty goods, or anything else from San Francisco businesses that have to charge more for those goods either, hence he too will chase other businesses out of San Francisco as well. He said that restaurants are precarious businesses, stating that they also would drive San Francisco's largest industry and tax base, adding that the Supervisors should understand that just because a restaurant is full, doesn't mean that it is profitable, hence the number of restaurants that close. He said that they feed their employees, their neighbors and the world, but they can not be expected to cure all of society's ills as well. He asked that they please not make San

Francisco a city of chain restaurants, and asked the Commission to take this back to the drawing board and include stakeholders in any future legislation. **Gwen Kaplan**, a member of the public and owner of ACE Mailing, a small business in San Francisco, and also representing the Council of District Merchants Association, stated that she is 100% against the proposed legislation. She said it is poorly crafted, stating that there are so many problems, adding that everything is wrong about it. She said that almost all of the small businesses she knows that employ 10 or more employees and have been in business any length of time at all; all offer health care to their employees. She said that this ought to go back to ground zero and something completely different must be presented, stating that this is all wrong. **Rosalie Bulach**, a member of the public and owner of NameFinders List, a small business in San Francisco for nearly 25 years. She said that if she was younger and only here for 5 years she would be leaving San Francisco at this point. She said that they offer complete health insurance for their staff, stating that before the dot com bust they had almost 30 employees, stating that now they are under 20. She said that for their under 20 employees they pay approximately 102 thousand dollars per year for health costs. She said that most of their employees are older, thus their average monthly payment is closer to $500 and for those with families, $700. She said that the problem with this is that the Supervisors are looking at ways to penalize the 93% of the companies that have health insurance for their employees because 7% are not following the rules. She said that if they were to go after and get good rates for small businesses like Wells Fargo gets. For example, she said the Wells Faro for an HMO pays $212 per month and a PPO $316, adding that if they were given the same rates, more people would be able to have insurance. She said she was sure that if two people were to go into CPMC, one from NameFinders and one from Wells Fargo, it will cost the hospital and the doctors the same amount of money to service those two people for the same problem. She said that the Supervisors have to realize the consequence of their actions, adding that too many bills are passed without wondering how it is going to affect everybody. She said that they have to realize that the job providers and the landlords are not the enemy, they are the people that care about the city, they are the stakeholders, the ones that educate people, they pay their taxes here, and they are the ones that train people for the upper level jobs in other companies. She said that she was tired of getting kicked around. **Kevin Westley**, Executive Director of the Golden Gate Restaurant Association stated that they represent several hundred restaurants in town, almost all small business. He said that they are opposed to the proposed ordinance from Supervisor Ammiano based on its lack of any element of cost containment which is really the reason there is a health care crisis, also the cost deferential seems a bit extreme he said. He said that restaurants operate on small margins and he said that he believed that they are the second largest private employer in town. He said that they took a pool of 1100 of their members in 2004 and said that one of the questions asked was "If you're intending to expand your restaurants, would you consider expanding in San Francisco or are you going to look elsewhere". He said that 78% of the people who are intending to expand their restaurants after the minimum wage increase with no wage credit for tips earned for the servers said they would no longer do more business in San Francisco and they would look elsewhere in the bay area. He said that if mandatory health care at an accelerated or inflated level passes, the city will successfully drive that number to 100% and eliminate future restaurant development from people that are here. He encouraged the Commission to pass its resolution asking for this to be sent back to the drawing board. **Stephen Cornell**, a member of the public and owner of Brownies Hardware in San Francisco stated that he was there representing Polk Street Merchants and the Council of District Merchants. He said that 30 years ago he started in his business, stating that all his suppliers except for one were from San Francisco. He said that those suppliers provided great jobs, adding that those people

worked in San Francisco; they lived in San Francisco and raised their families in San Francisco. More importantly he said that they hired the kids that came out of schools in San Francisco, adding that the majority of the kids who come out of school do not go to college, stating that they get jobs like those that he offers at his business. Today he said that all of those businesses that he used to do business with except for one are located outside of San Francisco. He said that the businesses voted with their feet, stating that if they could move they did. He said that this is one more reason for the businesses that can leave to leave. He said that his business provides health insurance, stating that they provide medical, dental vision and drugs., adding that he will still do that because he said it's the right thing to do, but said that they don't need it legislated. Yet another thing to consider he said is that his customers will go elsewhere if he has to raise his prices just to stay afloat. He said he constantly has to compete, with the internet, and with the Bay Area. **Victoria Libin**, a member of the public and with A16 Restaurant, stated that a key point regarding the food industry in San Francisco and particularly the restaurant industry, are a great tourism magnet, adding that besides just immediate repercussion for restaurants themselves, she said she would like people to think about what will happen to all the other trickle down businesses. For example, think about the people who come here just to partake of the wonderful dining that the city has to offer. On a separate note she said she was puzzled as to how $350 per employee was arrived at, stating that they offer health insurance, offering 100% of premiums for managers, 75% for employees who work 28 hours or more. She said that they try to think of themselves as the good guys, but in doing simple calculations, the increase in cost that this law would require is 83 thousand dollars per year, adding that they are one of the busiest restaurants in San Francisco, nonetheless, by the time they pay fair wages and all the other costs associated with the business they are left with around 5% of that, adding that they are doing well for restaurant standards. She said that this would basically eat away at their profit and wondered why they should stay here. She said that they already have a contingency plan, stating that their lease is not that long, and said that if this law passes she has properties identified in the east bay and in the peninsula, asking for a good reason to stay here and continue to be a good employer, because she said right now the city is not giving her a single reason to do this. **Commissioner Sahagun** stated that the $350 that was derived was an average of the 10 counties that the legislation will look at. **Timothy Falvey**, a member of the public and owner of Hanford Freund and Co., a real estate firm in the city operating continuously for approximately 70 years. He stated that they currently have 25 employees, 23 of which are located in the city. Four of the 23 employees are covered by other family members, but this legislation does not take this into account, it just says, let small businesses pay twice. Three of the 23 San Francisco employees have medi care and declined health coverage, stating that under this legislation that doesn't matter, it makes small businesses pay anyway. Eight of the 23 San Francisco employees live outside of San Francisco, and said that this legislation doesn't distinguish between employees that reside in the city or in another community, adding that it makes small businesses in San Francisco pay to protect the health care costs of all 9 Bay Area counties. Nine of their 23 San Francisco employees have premiums for comprehensive medical coverage of less than $345 per month, stating that they would not get credit for this, but rather would be required to pay the $345 per month per employee. He said that Supervisor Ammiano's plan does nothing to lower the cost of medical

care or increase the efficiency of its delivery. He urged the commissioner to recommend that this legislation be assigned for further study under Prop. I review and that any legislation on this matter is studied by an independent body of employers, small businesses representatives, employees and other stakeholders. **Patricia Breslin**, a member of the public and Executive Director of the Hotel Council of San Francisco said that while the Hotel Council and it's members are not normally thought of as small business, she said that what hurts San Francisco, stating that this is bad legislation that is bent on hurting business in San Francisco is all of their business. She said if ever a piece of legislation begged for further study it is this one. She said it is charged with unintended consequences, stating that it is punitive, and punishes businesses that are already providing health insurance, and it doesn't even guarantee that the uninsured San Franciscans receive insurance. She said what it does guarantee is a disincentive to attract new business to San Francisco, as well as a disincentive to job and wage growth. She urged the Commission to support the Mayor's request to conduct an impartial and comprehensive analysis of the economic impact of this proposal, and to create a health access council to explore approaches to increased access. **Linda MJellem**, a member of the public and Executive Director of the Union Square Association, likewise said that people may think of her as a representative of big business, a lot of their members are quite small, stating that 35% of their members are retailers, 20% are hospitality based, 20% are property owners, and the rest are a mix of service businesses. She said that the range in size of businesses runs from a sole proprietor to a large retailer like Macy's with about 3500 employees. She said that she recently took a poll of their members to find out how they might be affected by this and found that many of them would in deed be affected. She said that while 84% of their members do offer health care for their employees, only 42% offer it for their part time employees. She said that 46% of them currently pay something less than $200 per month for the premiums for their employees, stating that their findings are similar to those of others, adding that there probably is a better price out there. She said that 89% reported that the coverage that they do provide is comprehensive in nature, and when asked how this legislation would affect them, 14% said that they would relocate some jobs outside of San Francisco, 8% said they would relocate their business outside of the city, 28% said that they would probably lay off employees, and 36% said that they would probably pass on the cost to their consumers. She said that their Board has not taken a position because the timing has been off, but said that they would be meeting and taking a position in the next week, however she said that she believed that she could speak for them stating that the legislation was drafted without good input from the people who are affected by it, those who pay for it. She said that there is nothing in it that speaks to cost containment and or cost sharing. She said that they too would suggest that it go back to the drawing board, definitely there needs to be an economic impact analysis and said that they would favor access to affordable healthcare for all employees and encouraged everyone else to be a part of that solution. **Todd Parent**, a member of the public and CEO of Extreme Pizza, stated that they started Extreme Pizza in San Francisco in 1994 and said that for the last 11 years have continued to expand here in the city and northern California. He said that they currently employ approximately 175 part time and full time employees in the city and provide health care t any of the employees who opt in, based on some minimum requirements. He said that for those that opt in they pay 60% of their health care which includes health, vision and dental insurance. He

said that with the proposed legislation their monthly health care bill will approach $60,000 per month, or upwards of $700,000 per year. He said that his company has either broken even or maintained a small profit or lost through the years, stating that at times he has contributed back to the business to keep it going. He said that as a San Francisco grown chain, he did not know how they could ever raise their pizza prices high enough to cover their costs. In summary he said he would have to oppose the legislation as it stands today and hope that the commission and any other smart minds reassess it and take it back to the drawing board. **Mark Klaiman**, a member of the public urged the Commission to support the efforts of small businesses to provide access to quality healthcare for their employees. With his wife they own and operate Pet Camp, a dog and cat boarding facility in the Bayview Hunters Point neighborhood of San Francisco. He said that they believe that it is a moral imperative that all Americans have access to quality healthcare but said that they don't think the proposed ordinance is the way to get there. He said that Pet Camp averages 20 employees, adding that they provide health, dental and vision insurance to all employees working an excess of 21 hours per week. He said that the monthly contribution from each employee for their health care ranges from about $10 to $20 per month. He said that they have chosen to structure their total benefits package in a way that makes sense for their employees and their business. He said that in contrast to the proposed ordinance, they believe that there is no one benefits package that makes sense for all businesses and all employees. He said that the rate they pay for health care depends on the age of their employees, stating that their monthly costs range from just under $200 per month to just under $390 per month per employee, adding that their total health care cost per month is over $4200 or about $140 per day. He said that while they wish the cost of providing health care was less, they continue to pay the ever increasing health care rates to ensure that their employees have access to quality health care. He said that the proposed ordinance would make it more expensive for small businesses such as theirs to continue to provides their employees health insurance, adding that instead of rewarding those San Francisco companies already meeting the needs of San Franciscans, the proposed ordinance would require the same companies to contribute to a city administered fund, presumably to pay for health care for employees of companies not providing such health care. He said that for each employee for which the health care cost is less than $345 per month, small businesses must fund the difference between their current cost and the $345 plus an administrative fee. He said that for them even though they already provide health care, it would cost them an additional $2700 per month or $30,000 per year. He said that the proposed ordinance is not about health care, stating that their employees already have healthcare, stating that it is about taxing San Francisco businesses without admitting that the city is implying another tax. He said if San Francisco civic leaders want to discuss providing access to quality healthcare for San Franciscans, let's have that discussion; let's work together in finding solutions for this incredibly complex problem. If those same leaders want to discuss increasing taxes on businesses in San Francisco, let's have that discussion, but let us not pretend that these are the same conversations. He urged the Commission to support the efforts of small businesses to provide quality health care to their employees by rejecting the proposed ordinance and by furthering a true discussion of access to health care in San Francisco. **Pat Christensen**, a member of the public and a representative of the Small Business Network, read a letter from the SBN.

The SBN is an umbrella organization for 20 business related organizations. She said that they consider among them about 19,000 individual members. She said that the SBN had their annual retreat at which they discussed many things facing them this year, among which was the proposed healthcare ordinance. She said that they voted unanimously to request the Small Business Commission and the Board of Supervisors to support Mayor Gavin Newsom's action items on the proposed healthcare ordinance put forth by Supervisor Tom Ammiano as follows: To complete an analysis the economic impact of the proposed ordinance on small businesses and non profits as required by the voter mandate Prop. I, stating that at this time they do not have adequate information to support a vote one way or the other. To create an ad hoc healthcare access council as suggested by the Mayor in his letter to the Board of Supervisors dated 12/21/05, to explore collaborative approaches to increased healthcare access. She said that the small business community is strongly in favor of providing health care to their employees and in a vast majority of cases they do. She said that the mandated $345 per month set aside required by this legislation is neither fair nor realistic based on their experiences. In addition she said that administrative costs coverage for San Francisco workers outside the city, coverage for San Francisco workers who live outside the city and who have coverage through spouses, partners or other employers, and the fact that this legislation puts business owners in the atonable position as insurance adjusters is not adequately addressed in the current proposal. She read the list of member organizations including: American Institute of Architects, Building Owners & Managers Association, Golden Gate Business Association, National Association of the Remodeling Industry, National Association of Women Business Owners, Plumbing, Heating & Cooling Contractors, Renaissance Entrepreneurship Center, Russian American Business Owners Trade Association, Northern California Supplier Development Council, SF Apartment Associations, San Francisco Association of Realtors, SF Black Chamber of Commerce, SF Chamber of Commerce, SF Council of District Merchants Associations, SF Fashion Industries, SF Hispanic Chamber of Commerce, Small Business Development Center, and Women's Initiative for Self Employment.. **Kevin Wallace**, a member of the public and owner of a small business, stated that he would not be affected right away, but said that he would not hire the 20th person. He said that giving the city money to try to manage this problem is totally absurd and a huge waste, adding that they shouldn't have to cure social ills. Furthermore he said this appears to be a new tax and said that he believes there is a 2/3rd majority on a vote. Bruce Bonacker, a member of the public, a small business owner and the Government Affairs Committee Chair for the National Association of the Remodeling Industry (NARI) local chapter, and said that he represents that chapter on the Small Business Network. He said that his organizations members provide health insurance 100% give or take 1-2%. He said that they are not location dependant, stating that those of them that are in San Francisco will choose to depart San Francisco as they move further and further toward this kind of legislation because they are serve, not location based. He said that the legislation if passed would not only result in a loss of jobs in San Francisco, but it will also result in the loss of business taxes in San Francisco and in the loss of employee residents, adding that for the most part, small remodeling companies tend to hire people who live somewhere reasonably close to the general office where they start and end their work. He said that it will also increase the cost of doing business in San Francisco, because he said that each time someone comes in from outside of the city it

takes at least an hour to get here and another hour to get back. He said that this will cut down by two hours the effective time that they can work on a project in San Francisco. He said that it is his expectation that this kind of move will effectively result in approximately 20% increase in the cost to do remodeling in San Francisco, adding that remodeling work accounts for the vast majority of construction work in San Francisco because it is pretty much built out. Personally he said that he is in favor of universal healthcare, stating that he voted for it, but he said that this is not universal healthcare, adding that what he voted for was providing everybody insurance and it had nothing to do with employers providing everyone insurance. He said that this plan is regressive because it ties even tighter the connection between the employer and the insured, stating that they need universal healthcare, they don't need this. Finally, he said that he was very disappoint the that Supervisor proposing this did not come or send someone from his office to hear what people have to say, stating that it shows a lack of respect for this community and said that he was really disappointed because he has always supported this Supervisor when he's gone to the voter box. He said that he would have to reconsider that in the future. **Ryan Chamberlain**, a member of the public and member of SF SOS, stated that they came last month to speak against this legislation, stating that a lot of the discussion is the same, adding that the only difference is that the Commission could act on the legislation and the key difference is that there is no one from Ammiano's office. He said that they are not just categorically calling the Supervisor names and throwing the proposed legislation out the window, adding that what they are saying is we will work for universal healthcare, we like the idea, but there are holes in this proposed plan, and he said he is not even coming here to listen to the holes, not even giving it an effort, adding that it is just a standard Ammiano procedure to say here is this idea, it's a great idea let's do and not even think about how to do it. He said that the community ought to be offended and concerned if he doesn't listen to them, and if his typical allies follow along those same lines if this goes before the Board. He said that there needs to be a great deal of push back about this, stating that again, there are holes in it and it should be looked at further. He brought up the issue of part time workers, stating that there are a lot of part time workers in the city, many of which work at multiple restaurants, asking, who will cover that worker, will both restaurants be required to cover the same worker. He also talked about the fact that there will be a great number of people living in San Francisco that will not be covered, which is the reason for the legislation in he first place, but because they work outside of the city. Similarly, he said how many people that live outside of the San Francisco but work here will be covered. He pointed out that there are many holes in this legislation and that the Supervisor was not even present to hear these concerns. He spoke to the math behind the plan, stating that there are 1.1 billion dollars in the public health budget, stating that according to the Controllers report on the State of the City last year, there is only 13% of the city that is uninsured. He said that if you take that 13% of the estimated 750,000 residents, it would mean that 97,500 people would be uninsured. He said that if you divide those uninsured people into the 1.1 billion that is being spent on public health, it would be $11,252 per year that is spent on uninsured, or $937 per month that the city is spending in tax payer dollars on health insurance, adding that they want to still charge businesses $345 per month per employee. He said that it is idiotic and it needs to be fixed. **Serafina Miller**, a member of the public and with KBR Insurance Services, Inc., stated that they are the endorsed benefits

broker for the Golden Gate Restaurant Association, and said that when they talk health insurance dollars, they know what they are talking about. She said that you would think that with this kind of proposal she would be ecstatic because it means a whole lot more business through her door because all these employers would be required to offer it, stating that it is not exciting at all. She said that the current situation in California is that for small employers that have 2-50 full time employees, they have the option of purchasing guaranteed issue health coverage for their employees and they are only required to pay 50% of the employees premium, stating that the difference between that 50% and the $345 is astronomical and it will put these people out of business and is completely unfair. She said that for full time employees, they have to work 30 or more hours per week, stating that a lot of the employers she works with understand that they don't require 30 hours all the time and will go down to 25-28 hours so that it is consistent, adding that this is inconsistent. She said that better solutions to cover the uninsured already exists, and noted that such solutions are better than wasting time and taxpayer money to create a brand new system. She suggested working with the state, adding that there are many state sponsored programs that taxes are already going toward that are not being utilized. She said that while the government may not get marketing dollars to market these programs, there are companies that put this information out there and she left some copies of such information for the Commission's information. She said that you can not push small businesses into a corner because they will do what they have to do, adding that it is not meant to bully, but said that it is the truth. She said that if the people don't work together as a city, across the board, it will fall apart. She said that this is one more step down a very treacherous path that will destroy the glory of San Francisco, adding that this can not go through. **Jo Lynn Lockley**, a member of the public and representing herself, stated that she owns the country's oldest recruiting firm for restaurants, adding that some of the people in the audience are her clients. She said that fewer restaurants than more in San Francisco are her clients because there is a limited amount of money to pay for outside services given to any business. She said that she is older and pays for her own insurance, stating that she is one of a hoard of people that are not being considered in this plan. She said that they are the single self employed, the dual self employed, the consultants, the designers, the interior architects, the garden designers etc. She invited the Commission to come to the Flood Building, stating that they would see a warren of them, stating that many of them have to work out of their garages and homes, because they can not afford offices unfortunately. She said if this bill is allowed to pass, those of them that are now able to pay their own insurance may not be, stating that it doesn't cover them, adding that they are expensive, more expensive than anyone that works for a restaurant. She asked the Commission to look for a way to allow groups of people to buy less expensive insurance, rather than following this course, adding that it is not permitted in California at this time for an interest association to buy insurance. She asked them to find a way to help them, the myriad of independents, many of which are older than 50. **Jim Maxwell**, a member of the public, and President of the San Francisco Council of District Merchants Association, representing 18 neighborhood merchant associations city wide, stated that they take great exception to the workers healthcare security ordinance as proposed, stating that it falls well short of the mark in many areas including that it does not provide healthcare for majority of San Franciscans, it unfairly burdens businesses that may

already be providing healthcare, it places a mandatory fee on all businesses without representation, and it does not provide for any cost control or over site. Most importantly he said the legislation was drafted without the input of the business community or with regard for the economic impact it would have on small businesses, the very backbone of the city's economy. He said that for that reason alone the legislation should be subject to a Prop. I. evaluation he urged the Commission to recommend that further action on this item be withheld until such an evaluation is complete. He stated that the majority of small businesses in San Francisco do support finding a solution to the health care dilemma but said that this legislation is not the answer, and added that the resolution that the Commission is offering instead is definitely the right direction to take and he urged the Commission to pass their resolution and continue to be involved in the process of seeking to provide healthcare access to all San Francisco worker and that is also fair to the small business community. He read the list of member merchant associations, including Noe Valley, Inner Sunset, Polk Street, Fillmore, Excelsior, Glen Park, Haight Ashbury, Marina, Mission, North Beach, North East, OMI, Potrero, San Bruno Avenue, SOMBA, Taraval Parkside, Union Street, and West Portal Avenue. **Andrew Gillen**, a member of the public and owner Q Restaurant on Clement Street and a Board Member on the Clement Street Merchants Association. He thanked all the people who came out to speak on the issue, stating that there have been some very eloquent statements that sum up very well the sentiments from a lot of different angles. He said obviously fur would fly if this were to go through, because he said their businesses are completely at stake. He talked about is business, stating that it ceases to be a viable business if this happens. He stated that they have 27 employees and said that it would cost them about $112,000 to implement this, which he said is the difference between what they cover now and that much money would be way more money than they have ever made. He said it would be nice to be able to do that, but said it's simply not there. He said that he is a working chef and he has worked his way up, stating that he has been in business for 25 years, stating that he did sweat equity to get his place, adding that it took a lot of time to get it and said that they robbed Peter to pay Paul the first three years to make sure the bills were paid, not paying themselves and talking to the vendors asking them not to cash checks until the following day etc. He said that this is not uncommon and said that this is the kind of restaurant that this city is known for, the neighborhood restaurants that are creative that are labors of love and one of the reasons that they are famous. He said that only San Francisco seems to have the nice neighborhood places that are creative and affordable. He said that each thing that goes on just makes the price higher, which means that less and less people could eat there etc. He said that the cool think about San Francisco is that you can go to these places and you might find yourself sitting next to a punk rocker, next to a burning man artist, basically everything, adding that this is what makes the city great and said he feared that the city would price itself out of that. He remembered talking to Matt Gonzalez who he said he supported for Mayor about the minimum wage ordinance a couple years ago, stating that Matt's response was that he should raise his prices or go out of business and that there are too many restaurants in San Francisco. He stated that Chris Daly had commented in the paper that it was about time for the business community to start keeping up their end of the social contract, stating that he would like to have him come in and see the type of work it takes to run these businesses. He said it's not right and there has to be a way and said he knows there is a way

if they can get together, adding that there is a lot of smart people in the city. He liked the idea of a group thing that they can buy into, but said that this across the board plan is absolutely nuts. **Clifford Waldeck**, a member of the public and a Board member on the Board of Directors of the Chamber of Commerce, and co-Chair of the Small Business Advisory Council of the Chamber. He said that the Council reviewed this at the last couple of meetings and said that they have scratched their head in wonderment over the fact that businesses will be penalized for others that may not be providing it. He dove tailed off the other speaker before him, stating that f business sucks, you have to keep your mouth shut, adding that it is true that you can't go around telling people your problems. Getting back to the Chamber's business with respect to this legislation, he said that they had convened on almost a weekly basis and said that the group continues to grow every week. He said that it gives him a warm fuzzy to see diverse types of businesses large and small coming together on this issue. He said that if there is any up side to this, it would be that it has brought the Chamber family closer together. He said that he fully supported the Commissions proposed resolution, as does the Chamber and the Council. **Jimmy Ryan**, a member of the public and also with Extreme Pizza stated that they are currently going through another price increase due to the minimum wage increase, adding that it is the third one in two or three years. He said that something like this would have to make them raise their prices so high that the average Joe who wants a slice of cheese pizza would have to fork over $9.50. He said this is ridiculous, adding that this is just how they stay a float to break even. He said that they would love to show a profit and pay more taxes to the city but said that it is impossible. Furthermore he reported that this year they were voted by their employees, 175 of them, the best place to work in San Francisco with the offerings that they give to them. He said that they offer full time employees 50%-60% of medical, dental and vision, and said that everyone is pretty excited about that and they decided to email the Business Times and tell them. He said that he thinks they are doing a lot of good and it would be unfortunate if they could not remain in San Francisco. **Commissioner O'Connor** thanked everyone who came out to speak on this issue. For the folks in the audience and those watching at home who may not be too familiar with the Small Business Commission, he explained that they too are small business owners or come from small business background, they are not part of city government and are not paid anything. He said that what the Commission tries to do is to advice and try to articulate some of the perspectives of small businesses and represent to city government, the view point of fellow small businesses. Having said that he said it is vital that they continue to be involved in this process. He said that it is early enough in what appears to be a long process ahead where they can continue to be involved. He said that it is very difficult to run a business here, stated that you are robbing Peter to pay Paul the first few years, adding that he did it too. He echoed the comments made by Cliff Waldeck, stating that there is a certain sentiment about small business owners, that being that they come to meetings and cry about closing their business or lay people off etc, but he said that the reality is that the majority of small business people do not do this, adding that the majority of people have to much pride to admit if and the degree of bills that they are under and the degree of hard work that they deal with. He commented about a friend and city activist who he had tapped as a business partner, to which he responded 'Why would I self exploit myself?' which made him think that small business owners are practitioners of self exploitation. He said he looked

forward to working on the issue at hand. **Commissioner Thigpen** also thanked every one for coming out and speaking on this item. She acknowledged that it is difficult to get down here when running a business, particularly a restaurant on a Monday night. She said that this is not a fight that can be solved here by the Commission and or even one that the Board of Supervisors can solve; adding that healthcare is a right, not a privilege. She said that this is a task for the Federal Government and the State Government to take up. She said that they as a municipality can not exist in an island, stating that reference was made to something that can be done on a local level, that being an audit of the Department of Public Health, adding that they should absolutely undertake. She said that they know that there is waste that is going on and that there are problems, adding that no one seems to be talking about that. Additionally she said she doesn't hear anyone talking about an ERISA challenge but said that being an attorney, she sees a phantom in the horizon and it's named ERISA. She said that while this is modeled after a New York ordinance, which apparently has not been subject to an ERISA as of yet, she said that the time will come when the Fed's are going to come calling about ERISA. She said that she did not see how this will pass scrutiny and said that what will end up happening is that in the mean time small businesses will go under and then more city resources will be wasted while the City Attorney fights a protracted legal battle that ends up in federal court, and meanwhile the city goes into debt for outside council. She said that it is reactionary and it passes something for potential political gain, without really thinking about the consequences of everyday working people, adding that they are working people too. **Commissioner Ishimoto** thanked and supported the statements of all those who spoke both the previous month and more currently on this item. He said that the genesis of health care was an emergency war measure in 1942, and said that after Word War II, Presidents Truman and Eisenhower led the country in rebuilding not just America, but rebuilding the entire world. He said that this would have been a real good time to invest a little bit of effort to create a national health care plan, but they didn't, and rather, employers took on the burden. He said that small and large businesses have unbelievable generosity in the last half century, and said that yet for this they don't get praised, but rather they get imprecations that some of them are stingy. He thanked everyone as individuals and members of organizations for standing up for the small businesses that they are and those they represent. He said that if the Supervisors do not realize that small businesses and labor/employees have much more in common than they have in difference, and as long as people keep reaching into the pockets of small businesses to put into somebody else's pocket, San Francisco is destined to become another Benicia, once the capital of California, now a small sleepy town, adding that businesses will leave San Francisco. **Commissioner Richardson** stated that San Francisco was one of the most expensive cities in this country to live in and said that you would think that the Board of Supervisors would be interested in lowering the coast of living in this city instead of layering on tax after tax like small businesses are some bottomless pit. She said that to have someone who represents the whole city come up with a plan for 13% of the city is outrageous, stating that he has not talked to people that will be impacted by this is insulting and she said that the Commission ought to send this right back to him and tell him to shove it. **Commissioner Alberts** greeted everyone who came out to give public comment on the issue. She said that the variety is what is so wonderful in the room, and said that the various points that were made could not be beaten even by anyone on the

Commission. Having said that she said that she did wish to comment as a Professor at San Francisco State University and as someone who is employed with the Small Business Administration, telling them that they were all right, that they hit it on the head, but said that there is one thing that no one had hit on yet, and that was profit and private investment, stating that these are two topics that are very touchy and said that there are many people, including some Supervisors who do not care to discuss these topics. She said that when you take money out of the private sector, weather a business is doing well or poorly, if you take money out of the private sector and not allow it to grow, you will not have a proliferation of successful restaurants, creative ideas, or even those who will employ people because they do not have the money. She said that if you want to give things to the public sector to administer, and the more this is done, the less of a vibrant private sector there will be. She said that profit is not a dirty word, it is what everyone is trying to achieve, and said that when they do, the profits get reinvested into the community in the form of job growth and community development. **Commissioner Ventura** also thanked everyone for coming out and said that they always ask for as much public testimony as they could get to hear all sides. He said that there are two issues before them, one being the continued cost of doing business in San Francisco and how much will business owners pay to do business here. He said it is the crown jewel of the Bay Area, stating that it is the city that everyone wants to have on their address. The other issue he said is the number of people who are unemployed in San Francisco and how to deal with that issue without creating an impact on the businesses. He said that it is frightening to here the number of businesses that will leave San Francisco if another cost is incurred to the business community. He said he hears that loud and clear, adding that they should everything possible to make it easier to do business in San Francisco, while trying to address these other issues. **Commissioner Sahagun** also thanked every one for coming out, stating that every one of them works a hefty work week and said that being able to come in after a hard day of work and stay late is commendable and he said he appreciated it. He said that they share the same frustrations, speaking to the comments made by Mr. Gillan, stating that he took what he said to heart. He said small businesses live payroll by payroll, often times dealing with issues such as, do they have enough money to meet the following weeks payroll, do they have enough money to take care of the accounts payable, are they able to pay the bread, are they able to pay the taxes such as payroll tax, are they able to pay real estate taxes, small business license fees, the parking permits, the Fire Department permits, the annual business licenses, adding that small businesses are constantly juggling money and robbing Peter to pay Paul. He said that this may be the straw that breaks the camels back for a lot of small businesses, and said that he took to heart what all the speakers said, adding that they had educated the Commission quite a bit with their comments. He then proceeded to summarize some of the main points made including among others, no taxation without representation, businesses will down size and or leave the city if they have to, the cost deferential is ludicrous, legislation will effect more than the estimated 500 plus business, legislation can easily cover non San Francisco residents, while not covering some San Francisco residents, there is no cost containment and no cost sharing, and finally there was no small business input. He said that he was outraged also due to the misrepresentation by Tomas Lee in that it showed a lack of intelligence in that they just put this legislation out there without studying it further, stating that it showed a total disregard and

disrespect to every San Francisco business both small and large, adding that this is something that he can't forgive. He said it is a serious issue and as such it should be taken seriously, adding that this legislation does not address the issue. He said he would entertain a motion. Commissioner Thigpen suggested that the meeting transcripts and any letters/emails/faxes received on this item be provided along with the Commissions recommendation.
Commissioner O'Connor made a motion to oppose proposed legislation File No. 051919 [Worker Health Care Security Ordinance]. Commissioner Richardson seconded the motion. The motion was unanimously approved by the Commission.

Item 5 - Presentation, discussion and possible action on proposed Resolution urging the Board of Supervisors, the Mayor, and the Controller to complete an economic impact analysis of the proposed Worker Health Care Security Ordinance (File No. 051919), mandating certain health expenditures by small businesses and non profit organizations with twenty (20) or more employees, and urging the Mayor to create a body comprised of representative community leaders and members of the Small Business Commission to explore collaborative approaches to increased health care access
Commission O'Connor briefly presented what the Commission talked about at the last meeting and what is on the agenda this month as an action item for the Commission to vote on. He said the resolution stated that it be resolved that the Small Business Commission hereby urges the Board of Supervisors, the Mayor, and the Controller to complete an impartial and comprehensive analysis of the economic impact of the proposed Worker Health Care Security Ordinance (File No. 051919), including the impact on small business and non profit organizations so that policy makers can adequately be informed as they consider this proposal and as it is carried out further. He said that the second part of the resolution states that it be resolved that the Small Business Commission hereby urges the Mayor to create an ad hoc body comprised of a representative range of community health advocates, local businesses ranging from small medium to large, non profit leaders, health care experts, elected officials, and including one member of the Small Business Commission to explore collaborative approaches to increased health care access. He said that this resolution represents the Commission's effort from having participated in discussions and listening to the small business community, to begin to dialogue about the issue at hand, adding that it acknowledges that this legislation is a start, a place to begin a conversation, adding that while they are not quite happy with the tone of this initial conversation, they are willing to keep working further on this issue and see if something can be created that will bridge the gap between those that have insurance and those that do not.
Commissioner O'Connor made a motion to accept the proposed resolution as stated. Commissioner Ventura seconded. Commissioner Alberts requested to add the language that there be a definite economic impact study done as required by Prop. I. Commissioner O'Connor accepted the amendment to his motion. Commissioner Thigpen seconded the amended motion. Commissioner Richardson requested that the analysis include a profile of the uninsured. Commissioner O'Connor accepted that addition. The Commission unanimously approved the motion to accept the resolution with amendments.

Item 6- Presentation, discussion and possible action on File No. 051604 [Payroll Expense Tax Exclusion for persons who hire the disabled and the indigent], Ordinance amending the Payroll Expense Tax Ordinance to establish a tax exclusion for persons who hire the disabled and the indigent ~~homeless~~, as specified
The item was tabled.

Item 7- Presentation, discussion and possible action on the proposed Green Business Program, Ordinance amending the Environment Code by adding Chapter 15 to authorize a City-wide Green Business Program
Commissioner Thigpen reported that Green Business Program was initially just a pilot program for many years. She said it was developed form a model program that was created by ABAG (Association of Bay Area Governments). She reported that the City Attorney has said that it is time for it to become a full fledged program instead of just a pilot program. She said that the Departments of Public Health and the Environment, and the Public Utilities Commission would jointly manage the Green Business Program. She said that there is no cost to the city, it is already in existence. She said that potentially down the road this would make it easier to get more funding, and said that she was happy with the legislation.
Commissioner Thigpen made a motion to support the proposed Green Business Program legislation. Commission Albets seconded. The Commission unanimously approved the motion to support the Green Business Program.

Item 8 - Presentation and update on Prop I and the Economic Development Plan
This item was tabled.

Item 9 - Budget Committee Report
No committee report at this time.

Item 10 - Legislation and Policy Committee Report
Commissioner O'Connor happily reported that Wednesday would be the first official meeting of the Small Business Advisory Taskforce. He said that the taskforce has invited representatives from various city departments who will report on their small business component. The departments' licenses, permits, or in someway regulate the activities of small businesses. The goal is to hear from both regulatory city agencies and the small business owners who must go to said departments in order to be able to do business. He said that there have been complaints from the small business community around the permitting process and it being too onerous. The goal is to streamline the permitting process. He said this will take a long time, but was happy to report that it is underway. **Director Briones Ubalde** added that the meetings are open to the public and said the fist meeting is scheduled for Wednesday, January 11, 2006 from 10AM-12Noon in Room 201. She encouraged small business owners who may be watching on television and that may have experienced this process and would like to share it with the taskforce to come forward by attending the meeting.

Item 11 - Community Outreach Committee Report
Commissioner Thigpen reported on Small Business Week, stating that they are moving right along. She reported that committees have been formed to deal with specific issues during the week. She said that the meetings would

resume on Friday, January 13thd. **Commissioner Ishimoto** asked if anyone had made contact with the Commission for the earthquake centennial. **Commissioner Thigpen** responded stating that not to her knowledge. She did say however, that she had recently been in conversations with the Treasures Office about the possibility of looking into businesses that have been in business since before the 1906 earthquake to see if there is someway that they can be honored by the Commission and the city. She said that possibly there could be some activities planned around the centennial. **Commissioner Alberts** reported on her International Business Task Force Committee, and announced that there would be a public meeting of the task force scheduled for Thursday, February 2, 2006 at 9AM, and said that she looked forward to meeting folks that might be interested in participating with the task force and the principals of it, including Mark Chandler of the Mayor's Office of International Trade and Commerce, Stephen Crawford of he US Department of Commerce, and Richard Soyombo of the Centers for International Trade Development. She said that there would be a Press Release in relation to the task force meeting and she was very excited to finally have this public meeting.

Item 12 - President's Report
Commissioner Sahagun reported that he did not have much to report, other than to say that this too might be his last meeting as his term had expired. He thanked everyone including the past Commission and the various advocates that worked to get the Commission Chartered. He thanked each of his fellow Commissioners individually and said he was honored and privileged to have worked along side them. He also personally thanked Director Briones Ubalde and Secretary Martha Yanez and he commended them for their work with the Commission.

Item 13 - Vice President's Report
Commissioner Ishimoto reported on the necessary actions to implement the Small Business Disaster Preparedness Task Force, stating that the main thing going forward is to get funding and staff. He said that not much could be done without the allocation of funds and resources. He asked that his report be made available to anyone interested in it. Furthermore he thanked the Commission and staff as well as his predecessors.

Item 14 - Director's Report
Director Briones Ubalde reported that the Building Owners and Managers Association (BOMA) is hosting a training event on Thursday, February 2, 2006. She said the deadline to register is January 30, 2006. She reported on the parking meter card, stating that they are available for sale at various locations throughout the city. She said the cards are $20 and $50, adding that additional information including vendor information is available on line at www.sfmta.com. **Stephen Cornell**, a member of the public said that MTA had not taken a single recommendation from the Commission regarding the parking meter card. He talked about the contract stating that it is the biggest piece of crap, adding that it can change at any time and it is your responsibility to stay on top of it and make sure you file the most current version. **Commissioner Sahagun** suggested that the SBC draft a letter to the MTA with their thoughts and recommendations on the issue. **Commissioner O'Connor** said that this is just another example of the Commission not being heard and their recommendations being brushed off. **Commissioner Thigpen** suggested having a liaison at the MTA/DPT to help with some of these issues and to listen to their concerns. **Commissioner O'Connor** said that he also hoped that this would get addressed through the Small Business Advisory Panel discussions.

Item 15 - New Business
Commissioner Ventura said that he wanted to have a discussion around an awards program that would give awards to businesses that have been in business for a certain number of years. He said that the Commission could decide on the actual program, but said that he would like to have this as a discussion possible action item. Secondly he asked if the Commission could request a map of parking zones of the various commercial corridors from the MTA. He said maybe they ought to start there and then call for the public to come forward and tell them about their issues. **Director Briones Ubalde** suggested that this item and Commissioner Thigpen's item regarding yellow zones be wrapped into an already scheduled presentation that the MTA will give in February on the Third Street light rail project. **Commissioner Thigpen** said that she did not want two of her issues to be wrapped up in the same situation, stating that she had one yellow zone issue, which Commissioner Ventura's suggestion is dove tailing with, but said that she also has an issue which has come up with some businesses that have large pieces of equipment that need to load in to a truck or car and she said that people are parking there and they feel like hunted animals and they have to wait outside and they still get tickets and they pay the tickets for their customers, because she said that the meter maids are just coming by and giving them tickets. She said she wanted to hear from DPT to see if it is possible to get a permit, 2 per business that you can put in the window while you load and unload (10 minutes). She said she wants to ask them if this is feasible, stating that she wants them to come and give an answer, yes or no. She said that she wants to make sure that these items are distinct and that they understand that it is distinct. **Commissioner O'Connor** suggested having a joint hearing with the Health Commission regarding the Health Care Worker Ordinance. He suggested having this be a discussion item on February's agenda so that the Commissioners could comment on it. **Commissioner Richardson** asked if there is a way to get a record of those neighborhoods/district where more parking tickets are issued, wondering if there are some neighborhoods that are targeted. **Director Briones Ubalde** requested that the Commissioners prepare bullets or questions for DPT/MTA so that they can come prepared to answer and respond to issues at a future meeting. Commissioner O'Connor said that it might be worthwhile to have a hearing on parking issues in general and have it be as inclusive as possible so that everyone's issues are raised and addressed. **Commissioner Ventura** requested to place on next months agenda the Mayor's Directive on Small Business Contracting, so that all the Commissioners could participate in discussions around some of the things that will be happening in the next few months.

Item 16 - General Public Comment
Stephen Cornell, stated that this Commission was formed by a Charter Amendment, stating that part of the Charter stated that every department should come before the Commission when solicited and in turn the Commission should make recommendations to the departments on any business it deems important and relevant to its business. In addition, that all legislation impacting small business should be brought before this Commission. He said that this meeting is like many other meetings, stating that neither departments, Supervisors, nor the Mayor's office are showing up at the meetings, stating that they are thumbing their noses at the Commission. He said that Supervisor Ammiano and Supervisor Alioto-Pier did not show up for their items, adding that he did not think Supervisor Alioto-Pier's office had ever shown up and he said that it is disgusting to him. He said it is a Chartered thing and it is what the Commission deserves, adding that not much was different when he was the President of the Commission. He said the Commission ought to do something about it, stating that it is the law and suggested that they talk to their city attorney about it. **Commissioner Sahagun** corrected Mr. Cornell, stating that Rob Black of Supervisor Alioto-Pier's office had come before the Commission on more than one occasion.

Item 17 - Adjournment

Commissioner Thigpen made a motion to adjourn. Commissioner Ventura seconded. Unanimous approval from the Commission. The meeting was adjourned at 8:05 P.M.

City and County of San Francisco

SMALL BUSINESS COMMISSION

Notice of Meeting & Agenda
For
Monday, February 13, 2006

SF
S52
#1
2/13/06

City Hall, Room 400

5:30PM

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

COMMISSIONERS:
David Sahagun, President
Florence Alberts
Michael E. O'Connor
Gus Murad
Dr. Raye Richardson
Jordanna Thigpen
Richard Ventura

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Agnes Briones, Executive Director
Commission Secretary, Martha Yañez

1 DR. CARLTON B. GOODLETT PLACE, ROOM 448 SAN FRANCISCO, CALIFORNIA 94102
(415) 554-6134

1. Roll Call for the February 13, 2006 meeting of the Small Business Commission
2. Approval of the January 9, 2006 Small Business Commission meeting minutes (Action Item)
3. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
4. Presentation, discussion and possible action on File No. 051604 [Payroll Expense Tax Exclusion for persons who hire the disabled and the indigent], Ordinance amending the Payroll Expense Tax Ordinance to establish a tax exclusion for persons who hire the disabled and the indigent ~~homeless~~, as specified. Presentation by Sarah Ballard of the Office of Supervisor Alliioto-Pier (Discussion/Action Item). *Explanatory Documents: File No. 051604*
5. Presentation, discussion and possible action on File No. 051792 [Ordinance amending Administrative Code to add Chapter 26, ("Deemed Approved Off-Sale Alcohol Use Nuisance Regulations") deeming all existing non-conforming and permitted off-sale alcohol uses "approved;" establishing an administrative hearing process to abate nuisance activities by deemed approved off-sale alcohol uses. Presentation by Greg Asay of the Office of Supervisor Sophie Maxwell (Discussion/Action Item) *Explanatory Documents: File No. 051792*
6. Presentation and update on Prop I and the Economic Development Plan. Presentation by Shanti Breznau of the Mayor's Office of Economic & Workforce Development (Discussion Item)
7. Presentation on the 3rd Street Light Rail Project and its impact on small businesses. Presentation by Drew Howard, Project Manager Construction Outreach for the Municipal Railway (Discussion Item)
8. Election of President of the Small Business Commission (Action Item) - allows the Commission to elect a member of the Commission to serve as President of the Commission. Requires motion and vote.
9. Election of Vice President of the Small Business Commission (Action Item) - allows the Commission to elect a member of the Commission to serve as Vice President of the Commission. Requires motion and vote.
10. Committee Assignments – allows the President of the Commission to make committee assignments (Action Item)
11. Committee & Task Force Reports – allows the Chair of the Committee/Task Force to report on recent Committee/Task Force activities and make announcements (Discussion item)
    - Legislation/Policy Committee (Commissioner Michael O'Connor, Chair)
        - Back Street Business Advisory Board
        - Healthcare Access Council
        - Small Business Advisory Panel – Streamlining Project
    - Community Outreach Committee (Commissioner Jordanna Thigpen, Chair)
        - Shop Local First
        - Small Business Week
        - Procurement Issue Forums / Mayor's Executive Directive
    - International Business Task Force (Commissioner Florence Alberts, Chair)
12. Director's Report – allows the director to report on recent small business activities and make announcements (Discussion item)
13. New Business –allows the Commissioners to introduce new agenda items for future consideration by the Commission. See some items below among possibly others (Discussion item)
14. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
15. Adjournment (Action item)

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

City and County of San Francisco
Small Business Commission

February 13, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, February 13, 2006 5:30 PM

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2
/13/06

Small Business Commissioners

David Sahagun, President
Norman Ishimoto, Vice President
Florence Alberts, Michael O'Connor, Dr. Raye Richardson, Jordanna Thigpen, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

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Members Absent: Commissioner Alberts

Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, January 9, 2006 in regular session. The meeting was called to order at 5:34PM

Item 2 - Approval of minutes for the January 9, 2006 meeting of the Commission (Action Item)
Commissioner Ventura made a motion to approve the minutes as submitted. Commissioner Thigpen seconded. The Commission unanimously approved the minutes as submitted.

Item 3 - General Public Comment (Discussion Item)
Scott Hauge, a member business of the public and Small Business California, welcomed new commissioner Gus Murad to the Small Business Commission. He reported on a meeting with various folks including Pat Christensen of the SBN, Arnie President of the Access Appeals Commission, Herb Levine of the Independent Living Resource Center and Director Briones Ubalde on the issue of disability and access. He said that the group suggested Small Business Week as a way to get info out to the small business community. Furthermore he reported that the group also thought it would be a good idea for the two commissions to have a joint commission meeting. As such he introduced this as new agenda item for the commission's future consideration. Director Briones Ubalde reiterated Mr. Hauge's comments and suggested that the SBC entertain these recommendations.

Item 4- Presentation, discussion and possible action on File No. 051604 [Payroll Expense Tax Exclusion for persons who hire the disabled and the indigent]

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City and County of San Francisco
Small Business Commission

February 13, 2006

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City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, February 13, 2006 5:30 PM

SF
S52
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Item 4- Presentation, discussion and possible action on File No. 051604 [Payroll Expense Tax Exclusion for persons who hire the disabled and the indigent]

Sarah Ballard, Aid to Supervisor Allioto-Pier stated that the proposed law would allow employers to take tax exclusion for hiring the disabled and the indigent. She said that the intention of the legislation is to incentives hiring of folks who need it. Commissioner Richardson asked if there is a provision for a disabled employer. Ms. Ballard said that there was not a provision for the employer, but she said that she would be happy to take this back to the city attorney and get back to the commission. Commissioner Sahagun asked if Ms. Ballard could explain the use of the federal definition vs. the state. He also asked where the legislation currently stands. Ms. Ballard said that the state definition is much too broad and that they wanted something cleaner thus the reason for going with the federal definition. She said that it will be calendared in committee in the next couple weeks and if it passes, it will need two readings at the full Board. Commissioner Sahagun asked if he could take the exclusion if he currently employs someone that fits the definition. Ms. Ballard replied stating that he could since it will go back one full year. Commissioner O'Connor suggested that there be a similar exclusion for people that hire the youth. Commissioner Sahagun said that the most successful program would be one that gives tax exclusion for anyone that is hired in San Francisco. Commissioner Ventura if those employees that are coming off of some type of assistance and going through vocational type programs would also qualify. Ms. Ballard said they would. Commissioner Thigpen asked for clarification on when or up to what threshold the employer can take the exclusion, stating that as she understands it, at some point the employee will make too much for the employer to take the exclusion. Sarah Ballard explained that if an employer hires someone coming out of one of these programs, the employer can take the exclusion for the life of the exclusion, adding that the entire exclusion lasts for 10 years from the date it is passed and said that an employer can take it for seven of those 10 years. She said this is to not penalize someone who may not hire someone until 2 years from now. Commissioner Thigpen said that she would be inclined to support the proposed legislation, but added that they are continually carving the payroll tax and said that it is time to get real tax reform in tax policy in the city. She said that San Francisco needs to move in the direction that LA has moved in and reform the payroll tax. Scott Hauge, a member of the public stated that he supported the legislation, but he wanted to clarify that this legislation does not have a threshold on the number of employees in order to take the exclusion, similar to the clean tech legislation. Sarah Ballard stated that this was correct, there is no threshold. Commissioner Sahagun also echoed the sentiments expressed by Commissioner's Thigpen and O'Connor, adding that he was not joking when he said that anyone that hires anyone should get exclusion.
Commissioner Thigpen made a motion to support the proposed legislation. Commissioner O'Connor seconded the motion and echoed Commissioner's Thigpen's remarks about reforming the payroll tax. The motion passed with 5 yes votes and 1 abstention.

Item 5 - Presentation, discussion and possible action on File No. 051792 [Ordinance amending Administrative Code to add Chapter 26, ("Deemed Approved Off-Sale Alcohol Use Nuisance Regulations")]
Greg Assay, Aid to Supervisor Sophie Maxwell stated that this proposed legislation would impact those establishments with Type 20 or 21 CA ABC off-sale liquor licenses selling beer and wine or beer, wine and spirits for take out. He said the legislation developed from a recognition that there is a correlation between theses establishments and nuisance/violence, stating that the impact on the neighborhoods have not been good. He said that the basic approach of the legislation is twofold, stating that they wanted an education/outreach component as well as a local enforcement process. He said the first would require them to work with the Department of Public Health to do considerable outreach to the merchants, to help them comply with the law and be better neighbors. The other would be to look at a local hearing process, working with the City Attorney's office, due to the fact that the state ABC does not appear to be enforcing the law, and is often removed from local jurisdictions. He said the hearing process would be a full due process including

appeals to the Board of Permit Appeals etc. This process would allow the city to go after repeat offenders of the law and sew them if it got to that stage. He reported that they worked with a number of agencies and organizations, community and otherwise, including the grocers association, many of whom provided input, some of which they included and other which they simply could not because he said it would undermine the legislation, thus deeming it ineffective. For example, he said that in cases of transferred liquor license, there was a request that it be a clean slate. He said that they felt that this would continue to happen, meaning that once there were violations on a license they would simply transfer it as a way to avoid being held accountable. Another issue raised was that dealing with should businesses be held responsible for things that go on outside their doors, stating that they felt that there is a shared responsibility and things that can be done to minimize such nuisances, adding that in no way do they expect people to put themselves at risk, however, there are things like good lighting and graffiti removal that a business owner can do and should. Commissioner Ventura asked if DPH and SFPD representatives were involved in crafting the legislation, and asked what the fee will look like for offenders of the law. Greg Asay said the department reps were involved. He said that there would be an annual fee of $264 for all holders of Type 20 and Type 21 licenses, but said that after 3 years of clean record, the fee would be waived. He said that the outreach would include telling merchants what to do to be compliant. Commissioner Thigpen stated that the transfer issue concerned her, stating that it will make it more difficult for people to sell their businesses. She asked if language could be added that would allow for a transfer in good faith. Greg Asay said that the point was well taken and that they too had struggled with it, adding that they can look at it again, but he also said that the transfer is only important in the context that it allows the city to have this option to close the store only if there has been a full hearing and a violation found within the past three years. However he agreed that it would make it more difficult for an owner to sell the store. Commissioner Murad asked if they had consulted with the state ABC to find out what they do, and if so what was the outcome. He asked if there was any data that they said that they were able to get on the number of stores that have violations against them. He too expressed concern with the transfer issue, stating that it will have unintended consequences and will likely also hurt good hard working people. Greg Asay stated that they had indeed spoke to a representative of the ABC, adding that he thought the proposed legislation was a good complement to what the state does. He said that ABC has discreet tasks that do not take into account the full array of laws on the local level, adding that there are some things that they can ask the ABC to deal with. Regarding the number of violations, he said that this would be a new local law, thus there would not be any figures yet. As far as any state numbers, he said he did not have them handy, but said that he remembered that there were hundreds of violations mainly having to do with selling to underage population. Commissioner Sahagun asked why this is necessary if the state ABC has similar laws. Greg Asay stated that some of these laws are not being enforced thus they felt the need for this local law to compliment the existing state law and give the city more local control. Commissioner O'Connor said that he had several issues with the legislation, the first being that this is being brought to the Commission after it's already been heard in committee, accepting some blame, but adding that they need to work more closely together on these issues. Secondly, he said wondered what the real intent of the legislation is, stating that it seems to be trying to get rid of the real problematic businesses, adding that he would like it to be more inclusive. He asked how the legislation was developed and how many small businesses were at the table. He said that he continues to have a problem with the process in which legislation is drafted without proper input. He said he attended the committee hearing but had to leave after 2 hours and was not able to participate in the discussion because he was not allowed to give public comment while he was there. With regard to the transfer issue, he said it reeked of racism and it seems to be an attack on a certain group of people, perhaps the dominant group of these types of liquor store/grocery businesses. He said he had separate comments not necessarily on the legislation, but rather about the merchants themselves. He

said that as a business owner himself, he is responsible for cleaning up in front of his business and being a good neighbor. He said he would like the issue of trash collection addressed in the legislation. Finally he said with regard to store owners being responsible for elements outside their store, he said interacting with outside elements does not work. He said that owners should be given a chance to try to address these issues without it being legislated. He agreed that there ought to be some means to shut a bad store down, but he did not feel that this legislation was the right legislation. Commissioner Richardson said that this issue is a complicated one, stating that it seems like some of societies ills are being handled in a simplistic manner. She said that they must first be honest about what they are talking about, stating that they are talking about poor and black and neighborhoods of color, which seem to be target for these small businesses who locate there but never become part of the community, and/or don't add anything to the neighborhood and this issue ought to be addressed. She said that it pops up in many different ways, but the bottom line is what is the responsibility of a business to the neighborhood that it locates in, adding that it is not clear, hence these problems. She said that a business that sells merchandise does not go into business to police the neighborhood, adding that to say that a neighborhood is a crime ridden neighborhood does not mean that the business owner is responsible for it, but that the people who are paid to deal with crime are not doing their job. Regarding the Arab Grocers Association which was present, she asked what their goals are and what are its responsibilities and commitments to the neighborhood in which they make their money, and how do they interact with the people who are part of that neighborhood. She said that in certain neighborhoods you have the business owners that come in work their 89-10-12 hours and then leave and they have no commitment to the neighborhood. She suggested that instead of fining business owners who have broken the law, there should be a way to make them do community work so that they can become a part of the community. Commissioner Murad asked why these stores are being targeted as being responsible for drug dealing and gang violence. Greg Asay clarified that he did not intend to say that, but rather that they have a shared responsibility for creating environments in which this activity can happen and there are concrete steps that can be taken by the store owners to help address this sort of environment. Commissioner O'Connor thanked Mr. Asay for coming to the commission with this. He said that Commissioner Richardson brings up a good point which speaks to the bigger question of how to create better communities, which he said warrants a discussion. He asked what is the possibility of slowing this legislation down to have this dialogue and assess the needs of the neighborhoods one by one. He asked what the possibility of creating programs that will assist merchants such as signage program or a business loan program. Commissioner Ventura asked how many businesses had been cited by the ABA and asked if the Supervisor had given any consideration to ask the ABC to better enforce the state laws, adding why not simply go after the violators. Greg Asay replied stating that the purpose is to be more proactive and work with businesses to educate them and work together. He said that there will be a very small number of stores that will actually get closed. Commissioner Ventura said that he thought the legislation needs more work. Commissioner Thigpen asked for clarification on the language on page 10, line 22, Section 26.13 regarding the word "repeated", stating that it is not defined and it should be. Regarding the hearing phase, she asked who will be the arbiter of the fate of the businesses, stating that the legislation state the city attorney, does that mean a deputy, or Mr. Herrera himself. She said it was vague and these things ought to be addressed. Commissioner Murad asked Mr. Asay to give an example of when one would be in violation. Greg Asay responded stating that if a business adheres to the performance standards that are outlined in the legislation they would be practicing good faith efforts, and thus there should not be a problem. A store would be in violation if there are repeated activities as outlined in the legislation and the owner does not take steps to address the problems, such as calling the police department as well as physical changes to the store. Commissioner Sahagun stated that the city needs to live up to the standards that it asks businesses to live up to, adding that there are plenty of city property that can also be classified

as nuisance, including loitering and graffiti. Furthermore he said he hoped that the Supervisor would invite the small business community to participate in any panel discussions around this issue in the future. Mr. Hennessey, a member of the public and member of California Beverage Merchants, stated that he is the owner of 5 wine and liquor stores in the city since the 1970's. He stated that the ABC director is not in favor of this legislation, adding that the ABC has to take a neutral position on this. He said that this legislation was tried in Oakland 9 years ago and it raised the fee from $600 to over $1000, adding that it is putting black owned liquor stores out of business, stating that it does not work. He said the problem is a social problem. He said that the legislation was not crafted well, not enough outreach and that they want an amalgamation of the ordinance. Jimmy Shamieh, a member of the public and VP of the Arab American Grocers Association stated that this is a major issues, stating that this legislation would effect hundreds of families. He said that it calls on their members to come out of their stores onto the street and enforce drug trafficking, people fighting and other nuisances. He questioned the definition of "good faith efforts", asking "what does it mean", and what qualifies as good faith efforts. How many times does a store have to call the police in order for their efforts to be considered "good faith efforts?" He said that they fear that they will be putting themselves at risk without badges and without guns. He agreed that the problems are social ills, but said that the city needs to come up with another plan to deal with this, and stop blaming one group for a community's social ill, adding that they live and work in the neighborhoods, stating that it is a true life and death situation in their communities. Commissioner Sahagun asked Mr. Shamieh to estimate how many liquor store owners have been shot in the last 10-15 years. Mr. Shamieh said that he takes issue with the title "liquor store", stating that they also sell groceries, adding why not call them bread store, or candy store. Commissioner Richardson asked if there are any stores that do not sell liquor. Mr. Shamieh replied that there were and said that they too have problems. Commissioner Richardson stated that she had an issue with the enforcement, asking how they will know it is being enforced. Greg Asay responded stating that for one, funded mandates are better at being enforced than those that are not funded. Furthermore he said that unlike the ABC, the departments outlined in the legislation are responsive to the Mayor and thus will be held accountable. Commissioner O'Connor made a motion to reject the proposed legislation and to request that it continue to be worked on, including incorporating the issues raised at this meeting. Commissioner Richardson seconded the motion but added that the SBC be included in the discussion as it goes forward. Commissioner O'Connor accepted the amendment. The Commission unanimously approved the motion as stated.

Item 6- Presentation and update on Prop I and the Economic Development Plan
Shanti Breznau of the Mayor's Office of Economic and Workforce Development stated that the origin of the plan was Proposition I, a 2004 voter approved initiative, which mandates the creation of the plan and surveys of barriers to employment retention and attraction. She said that the plan is to last for 3 years and updated every 3 years. It also mandated that two economist be hired by the Controller's Office to analyze the economic impact of legislation proposed at the Board of Supervisors. She explained that MOEWD was tasked with putting the plan together, adding that it has to be adopted by the Board. She said that as a result they have engaged a consulting team to help them with the development of the plan. She said that there are three phases to the plan development process in addition to outreach and mobilization pieces, which will include public meetings, focus groups, one on one interviews, an interdepartmental advisory group, media briefings, a web page which will host a couple surveys, and finally presentations to the Board of Supervisors at key decision making points of which there will be four. She said that currently they are undergoing the first phase, which involves analytic task such as an economic performance review of San Francisco over the past 20 years, a workforce analysis that will look at the job readiness of the city's unemployed, underemployed and at risk workers, and the third being an industry and commercial real estate market analysis,

and finally a profile of small businesses, which will analyze the size, composition and economic impact. At this point they will begin focus groups and public meetings etc. She explained that after this process, they will move into the 2nd phase which will include industry impact and competitive analysis, stating that it will build on the needs that have been identified from phase 1 focus groups and public meetings etc, stating that it has further focused analysis based on the needs identified. At this point she said there would be another check in with the Advisory Group and the Board of Supervisors to gage how best to serve the needs identified, for example, by conducting interviews with industry leaders etc. She said that this will bring them to the Policy and Strategic Development, including the creation of an asset map, which will look at all the economic development functions of department that have these functions to see where there is overlap and where there are gaps. The consultants will also look at best practices of other cities and finally come up with strategies and recommendations for policy which they will include in the final report and presentation to the Board. Commissioner Thigpen asked how long the entire process will take. She also asked about the two economists to be hired. Shanti Breznau stated that the plan would be complete by the end of this year. She stated that only one economist had been hired thus far, and that this process is being handled by the Controller's Office, stating that it is their responsibility. Commissioner Sahagun asked who will be on the advisory panel. Shanti Brezau responded stating that representatives of departments having economic functions would be on the advisory panel, including Director Briones Ubalde representing the Small Business Commission. Commissioner Sahagun suggested that a member of the Commission also be on the advisory panel. With that he thanked Ms. Breznau for her presentation.

Item 7- Presentation on the 3rd Street Light Rail Project and its impact on small businesses
Drew Howard, Project Manager Construction Outreach for the Municipal Railway provided a status update on the Thirds Street Light Rail Project and what it entailed, specifically speaking to Phase I and Phase II, the Initial Operating Segment (IOS), which includes the Third Street surface alignment, metro east maintenance facility, 15 light rail vehicles, and the Central Subway (CS) including the Third Street subway alignment from 4th and King to Clay and Stockton. With respect to the construction and the impacts to the business community he said that there were several things that Muni did do try to alleviate some of the burdens to businesses due to the construction. He said they had pre construction meetings, including a Citizen's Advisory Group (CAG). He reported that Muni had a construction management team in the area in charge of various tasks for every segment. He talked about the Hit the Pavement Campaign in which brochures detailing next steps for the project and upcoming activities would be distributed to the community via segment walks with construction staff among other ways. The brochures provided information on what was coming up in terms of the construction project, as well as information to the public information center and the construction management office, where folks could get more information on the project, and voice concerns about the project. He said that the construction management team scheduled and encouraged the various people working on the project, including contractors and subcontractors to patronize the local businesses, including scheduling a weekly lunch date at a specific restaurant. However he said that compensation to merchants for loss of business due to construction is prohibited by city policy, and is not an option. Commissioner Richardson asked if he had any information on the number of businesses that where put out of business due to construction. She said that she takes issue to this because of her history on Fillmore and what happened in that neighborhood with the Redevelopment Agency displacing many black owned businesses and residents. Drew Howard responded stating that there are roughly 10-20 businesses that are no longer there, but it is hard to tell if it is due to the project's impact, adding that there are some that have come into the area since the beginning of the project. Monika Hudson, a member of the public and Executive Director of the Bayview Small Business Resource Center, stated that it might be useful to have a hearing or a discussion with

the Bayview Hunter's Point Merchants Association, stating that the Commission may get a lot out of hearing directly from the businesses that have been impacted. Commissioner O'Conner agreed with the suggestion to have a hearing on this issue with said merchants. He also asked Ms. Hudson's opinion on the liquor store item heard prior. Ms. Hudson said that the Bayview Merchants Association had also discussed this item but said that they did not come to any agreement, adding that they had similar remarks and concerns expressed by the commission.

Item 8 - Election of President of the Small Business Commission
Director Briones Ubalde reported that Commissioner Alberts, although not able to make the meeting, had requested to table the item until Commissioner Sahagun's replacement was appointed to the commission. She said this had been Commissioner Alberts suggestions. Commissioner Ventura said he would like to go forward with the elections as planned. Commissioner Richardson nominated Commissioner Thigpen. Commissioner Ventura seconded. Commissioner Jordanna Thigpen was elected President with 4 yes votes. Commissioner O'Conner abstained as did Commissioner Thigpen.

Item 9 - Election of Vice President of the Small Business Commission
Commissioner Sahagun nominated Commissioner O'Connor to serve as Vice President of the Commission. Commissioner Richardson seconded. Commissioner O'Connor was elected Vice President with 4 yes votes.

Item 10 - Committee Assignments
The item was tabled

Item 11 - Committee & Task Force Reports
Commissioner O'Connor reported on the Back Street Business Task Force, stating that they are in the process of interviewing businesses. He also reported on the new Health Care Council, stating that there are 37 members, adding that he would serve as a commissioner as well as a small business owner representative. He said the first meeting would be tomorrow. Finally he reported on the Small Business Advisory Panel, stating that there is a meeting scheduled for February 15, 2006. He said the meeting would be open to the public and would be in Room 201 from 10AM-12 Noon. He encouraged any business owner who had gone through the process of starting a business to attend and provide any input or insight on the process and their experiences. Commissioner Ventura reported on Small Business Week, stating that there is a procurement workshop for the construction industry scheduled for May and said that it should coincide with that week of May 15-20. He said these procurement forums would continue and there would be one scheduled for June around retail.

Item 12 - Director's Report
Director Agnes Briones Ubalde reported that the Breakfast with Business was scheduled for March 27, 2006 and would include a report on the Economic Impact of the Child Care Industry. She reported that the County Transportation Authority would be presenting three issues to the Commission the following month, including the bus rapid transit studies for Van Ness and Geary Boulevard.

Item 13 - President's Report
Commissioner Sahagun reported on recent discussions to hold a joint hearing with the Access Appeals Commission. He suggested going forward with it for sometime in May.

Item 14 - New Business
Commissioner Richardson requested to have a meeting with the Department of Parking and Traffic to address some parking issues, specifically curb colors. Commissioner Thigpen stated that she and Director Briones had actually met with DPT

staff to discuss some of these issues. She reported that there is an ongoing study that looks at the different zones, and said that it should be addressed at the March meeting. Commissioner Ventura requested to discuss ABC issues in detail, specifically looking at problem companies that are being cited and yet there is no follow through. He wants to address how to get ABC to enforce the existing laws. Commissioner Thigpen suggested working with Assemblymen Leland Yee's office. Commissioner Richardson welcomed Commission Murad to the Commission.

Item 15 - General Public Comment
None

Item 16 - Adjournment
Commissioner Sahagun made a motion to adjourn. Commissioner Richardson seconded. Unanimous approval from the Commission. The meeting was adjourned at 8:40 P.M.

City and County of San Francisco

SMALL BUSINESS COMMISSION

Notice of Special Meeting & Agenda
For
Monday, March 6, 2006

SF
S52
#1
3/6/06

City Hall, Room 408

5:30PM

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

COMMISSIONERS:
Jordanna Thigpen, President
Florence Alberts
Michael E. O'Connor
Gus Murad
Dr. Raye Richardson
David Sahagun
Richard Ventura

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Agnes Briones, Executive Director
Commission Secretary, Martha Yañez

1 DR. CARLTON B. GOODLETT PLACE, ROOM 448 SAN FRANCISCO, CALIFORNIA 94102
(415) 554-6134

1. Roll Call for the March 6, 2006 meeting of the Small Business Commission

2. Approval of the February 13, 2006 Small Business Commission meeting minutes (Action Item)

3. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. Presentation, discussion and possible action on File No. 060142 [Ordinance amending Public Works Code by amending Section 801 to recognize sidewalk landscaping as an important contributor to the City's quality of life; by adding Section 812 to establish a permit process for sidewalk landscape installation and removal, including permit fees; and making environmental findings]. Presentation by Marshall Foster, Director of City Greening (Discussion/Action Item)

5. Presentation, discussion and possible action on Ordinance appropriating $27,870,000 of General Fund balance to support street resurfacing projects for the Department of Public Works for Fiscal Year 2005-2006. Presentation by Rebekah Krell, Aid to Supervisor Sean Elsbernd (Discussion/Action Item)

6. Presentation by Treasurer Jose Cisneros' office regarding applicability of the payroll expense tax ordinance to pass-through (partnership) entities. Presentation by David Augustine (Discussion/Action Item)

7. Presentation and discussion on San Francisco Public Utilities Commission's (SFPUC) SF Sewer System Master Plan Project. Presentation by Tyron Jue, Public Relations Officer (Discussion Item). *Explanatory Documents:*

8. Presentation and update on Community Benefit Districts and the Neighborhood Market Place Initiative. Presentation by Lisa Pagan, Project Manager, Office of Economic & Workforce Development (Discussion Item)

9. Presentation and discussion on San Francisco California Transportation Authority's (CTA) Parking Management Study. Presentation by Tilly Chang, Deputy Director of Planning, SFCTA (Discussion Item)

10. Presentation and discussion on San Francisco California Transportation Authority's (CTA) Geary and Van Ness Bus Rapid Transit Studies. Presentation by Tilly Chang, Deputy Director of Planning, SFCTA (Discussion Item)

11. Report on the Small Business Commission's 2005 Shop Local First campaign and event. Presentation by Don Shaffer of BALLE (Discussion Item)

12. Discussion and possible action on File No. 060013 [Ordinance amending Section 2809 of the San Francisco Police Code to allow pawnbrokers to operate on Sundays and on Monday's following a holiday, and to make clerical corrections] (Discussion/Action Item)

13. Discussion and possible action on File No. 060083 [Ordinance amending Public Works Code Section 170 to require replacement of garbage receptacles after collection into an enclosed area or other area that blocks views of the receptacle from the public right-of-way; and making environmental findings] (Discussion/Action Item)

14. Discussion and possible action on File No. 060247 [Ordinance (1) amending Chapter 12R of the San Francisco Administrative Code (Minimum Wage Ordinance) to impose an annual fee upon employers to defray the City's costs of implementing and enforcing the Minimum Wage Ordinance, (2) expanding the powers and duties of the Office of Labor Standard Enforcement to implement and enforce the Minimum Wage Ordinance, and (3) making findings pursuant to the California Environmental Quality Act, Public Resources Code Section 21080(b)(8)(A), that the regulatory fees imposed by this ordinance are not a "project" and that such fees are imposed for the purpose of meeting operating expenses of the Office of Labor Standards Enforcement or successor department of the City and County of San Francisco, including employee wage rates, fringe benefits and other direct and indirect overhead charges, attributable to the implementation and enforcement of the Minimum Wage Ordinance] (Discussion/Action Item)

15. Discussion and possible action for the Small Business Commission in partnership with Treasurer Jose Cisneros' office to recognize businesses which have existed since prior to 1906 as part of the centennial anniversary in April. Presented by Commission President Jordanna Thigpen (Discussion/Action Item)

16. Discussion and possible action to request a status report/hearing on Neighborhood Economic Development Organizations and their current and future role in small business advocacy and promotion in SF. Presented by Vice President Michael O'Connor (Discussion/Action Item)

17. Discussion and possible action for the Small Business Commission to hold a joint hearing with the Access Appeals Commission to discuss accessibility issues in the small business community (Discussion/Action Item)

18. Discussion and possible action for the Small Business Commission to hold merchant walks in the neighborhood commercial corridors. Presented by Commissioner Richard Ventura (Discussion/Action Item)

19. Discussion and possible action on the six community forums related to the Mayor's Executive Directive. Presented by Commissioner Richard Ventura (Discussion/Action Item)

20. Committee Assignments – allows the President of the Commission to make committee assignments (Action Item)

21. President's Report – allows the President to report on recent small business activities and make announcements (Discussion Item)
    - Shop Local First
    - Small Business Week
    - Procurement Issue Forums / Mayor's Executive Directive

22. Vice President's Report – allows the Vice President to report on recent small business activities and make announcements (Discussion Item)
    - Back Street Business Advisory Board
    - Healthcare Access Council
    - Small Business Advisory Panel – Streamlining Project

23. New Business –allows the Commissioners to introduce new agenda items for future consideration by the Commission. See some items below among possibly others (Discussion item)

24. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

25. Adjournment (Action item)

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

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Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

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City and County of San Francisco
Small Business Commission

March 06, 2006 (Special)

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 263
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, March 6, 2006 5:30 PM

Small Business Commissioners

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, Gus Murad, Dr. Raye Richardson, David Sahagun, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

Members Absent: None

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Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, March 6, 2006 in special session. The meeting was called to order at 5:37PM

Item 2 - Approval of minutes for the February 13, 2006 meeting of the Commission (Action Item)
This item was tabled.

Item 3 - General Public Comment (Discussion Item)
None offered

Item 4- Presentation, discussion and possible action on File No. 060142 [Ordinance amending Public Works Code by amending Section 801 to recognize sidewalk landscaping as an important contributor to the City's quality of life; by adding Section 812 to establish a permit process for sidewalk landscape installation and removal, including permit fees; and making environmental findings]
Marshall Foster, Director of City Greening stated that in June the Mayor and the city hosted World Environment Day, which begged the question what can cities do. From that he said that the Mayor started a new initiative, which is now called City Greening. She said that since then they have been working on greening various parts of the city including plazas, parks and looking at how they can go further and create not just acceptable spaces, but exciting public spaces. He stated that the initiative focuses on three core areas including reforming city standards and operations, street scape enhancements, and community programs and partnerships. He reported that they will count on an 11 million dollar capital project fund, and said that they would use the money for tree planting, lighting and the like on Van Ness and seven other

neighborhoods, which may include Polk Street, San Bruno Avenue and Valencia Street. He said that they want to create a new permit program to make it easier for the public to make areas nicer, stating that it will reduce the permit fee from the current $800 to $200. He reported that there was also a matching grant, which was initiated in February and would be due on March 31st, which is called the "Challenge Grant". He directed interested folks to www.sfccgt.org for more information. Commissioner Thigpen asked if the new permit would also help people who wanted to remove a tree, for example if it had been vandalized. Mr. Foster stated that trees are treated differently, stating that whenever possible they prefer not to get rid of a tree, bud find alternatives to it's removal. Commissioner Ventura asked if he had been meeting with the Community Benefit District representatives, and would this apply to them. Mr. Foster responded stating that he had, adding that Lisa Pagan of the Mayor's Office had scheduled meetings with all the CBD's and they are high on the list of folks to receive the Challenge Grant. Commissioner Murad asked if the new permit would be an over the counter permit. Mr. Foster responded stating that there would need to be an inspection to ensure that the work would not interfere with utilities, but said that there would be no notification requirement, which should cut down the time considerably. Commissioner Alerts asked what else the Commission could do if they vote to approve this legislation. Marshall Foster responded stating that the Commission could help by promoting the Challenge Grant as well as the new permit. Commissioner Richardson asked who is responsible for a tree that has been uprooted. Marshall Foster replied stating that it is usually the responsibility of the property owner. Commissioner Sahagun suggested that as they move forward, when and if a property owner gets a notice to fix their tree that information about these programs be provided to them along with any such notices. Commissioner O'Connor asked if there were any possibilities to have public spaces in San Francisco similar to those in New York for example. Mr. Foster replied saying yes, and said that he would like to come back and talk about some of the other ideas that they have. Commissioner Sahagun made a motion to support the proposed legislation and suggested that moving forward either a member of the SBC and or a small business representative be included in any task force on this issue, and to have Mr. Foster come back to the Commission with a follow up presentation. Commissioner Alberts seconded the motion. Unanimous approval from the Commission.

Item 5 - Presentation, discussion and possible action on Ordinance appropriating $27,870,000 of General Fund balance to support street resurfacing projects for the Department of Public Works for Fiscal Year 2005-2006
Supervisor Elsbernd stated that the list of streets that will benefit from this include some commercial corridors. He said he was seeking their support to better fiscally manage money, and said that he was trying to preempt what often occurs in city government, which is whenever there is an issue or need for money, new taxes and fees are imposed to make up the difference. He said he is proposing that 12 million dollars be shifted, adding that it would also give them a little more time to work on fixing the streets. He said that the legislation only makes sure that they don't exacerbate the current 380 million dollar back log. Commissioner Thigpen asked how the locations on the list were derived. Supervisor Elsbernd stated that there is a science to selecting streets, mainly looking at frequency of complaints and traffic, adding that there is no politics involved in this aspect. To the extent that some of the large development projects have an impact on the streets, Commissioner Thigpen asked what kind of liability they are required to keep. Supervisor Elsbernd said that it was not much, adding that there was no fee for new construction. Commissioner Sahagun said that he noticed that some of the streets listed are actually quite bad and wondered if there were any lawsuits pending as a result. Supervisor Elsbernd stated that there was and said that they just settled one such suit. Commissioner Richardson noted that there was only funding through 2010 and asked why money was not allocated every year. Supervisor Elsbernd said that he wished Assemblymen Leland Yee and Leno were present to answer that question since he said it is state funded. Commissioner Richardson asked about the gas tax. Supervisor Elsbernd

replied stating that this tax goes to street cleaning and not fixing the streets. He added that Proposition K would provide 12.8 million dollars. He said they would also get 15 million dollars from the Department of Public Works general funds. Commissioner Richardson suggested a coordinated effort on the part of the when requiring to tear up the streets to do work so that it occurs once rather than multiple times for various reasons. Supervisor Elsbernd stated that there is a process that does not seem to be working and said that he would keep that in mind going forward. Commissioner O'Connor commended Supervisor Elsbernd for his good work on this. Commissioner Sahagun made a motion to support the proposed legislation in order to enhance public safety, quality of life and to save the city money. Commissioner Richardson seconded. The Commission unanimously approved the motion as stated.

Item 6- Presentation by Treasurer Jose Cisneros' office regarding applicability of the payroll expense tax ordinance to pass-through (partnership) entities
David Augustine of the Office of the Treasure and Tax Collector stated that the pass through payroll expense tax ordinance was conceived because people were not paying the payroll tax. He said that they did a lot of outreach on the issue. Commissioner Richardson asked if the tax would be retroactive. David Augustine responded stating that at the present moment it would not be retroactive. In addition he said that any entity that receives a W2 will not be subject to this ordinance. Commissioner Thigpen asked what the penalties were, and when the decision to access it was made. David Augustine responded stating that folks would be asked to comply and if they so needed, they would be able to apply for an extension. With regard to when the decision was made, he responded stating 2005 tax year. Commission Sahagun stated that the city does not seem to have quality data and asked what the Treasure's Office is doing to procure quality data. David Augustine replied stating that the Treasure's Office can provide aggregated tax data for a fee, but said that there are certain data that they collect that is in a different format than what they have and or can support, which often leads to not being able to access data. Commissioner Ventura said that the commission might soon be creating or a task force to look at the payroll tax for example. He asked if the Treasure's Office would be able to participate in that process. David Augustine replied in the affirmative. Commissioner Richardson asked if this has been on ongoing problem. David Augustine replied that it had been with the payroll tax dating back decades, adding that non compliance has been occurring for a long time. Scott Hauge, a member of the public and with Small Business California stated that he has a problem with this tax and not with the tax itself, but rather with the way the tax system is set up. He said that many people feel it is set up in a way that gives unfair advantages to some partnerships, some corporations such as S, LLC, LLP, adding that there needs to be tax equity. He said that it is important for the Commission to take some action with respect to this tax. Specifically he said that the notice that was sent out to tax payers was confusing, using the word pass through corporations like partnerships and LLC, leading one to believe that it may apply when in fact it doesn't apply to S Corps and others. He said that needs to be clarified. He also suggested that the Commission request that this not be retroactive, because he said folks were acting on the city's interpretation of it, and to go back on that now would not be fair. Furthermore he said that the 90% tax on a partner would not be fair because he said it does not recognize the ability of a partner to collect profits and part of their income includes profits and it should be addressed, thus clearly the second option should be the choice of the business owner, but said that clear guidelines of what is acceptable must be established. He proposed a tax equal to the highest amount that the highest paid employee receives, adding that it would depend on the industry, but said that this option seems fair and equitable. David Augustine responded stating that they are not looking at going retroactive at this time. With respect to clarifying that this applies to partnerships and not LLC's he said that he would work with his web team and at least make this clear on the website that it is indeed the case. As far as the two different methods of computation he disagreed, stating that the 90 % of taxation is the same number that is taxed by FICA for medical purposes by the Federal Government, which he said is what is considered

by the Feds compensation for personal services rendered. He said he felt confident that the Treasure's Office has a similar payroll tax, adding that the second prong would be hard to comply with because he said they realize that because there are different manners of partnership compensations out there. At the same time he said this is done on a regular basis, adding that people have the option to hiring a tax professional or the Safe Harbor provision, which mirrors the federal standards, which partners are already paying a similar tax on. Scott Hauge said he was unclear if 90% is a reasonable number and they are tying it into the federal aspects, adding that he did not understand how they could justify a second calculation based on what was just stated by the Treasure's Office. He said it makes no sense to say that the maximum a person could make as profit is 10% with all other expenses, adding that it just isn't fair. Commissioner Sahagun said that he has always had a problem with the payroll tax and coupled with the gross receipts tax, he said it doesn't make sense and is not fair. He said the tax system needs to be restructured and the payroll tax done away with and in its place something equitable and fair to all businesses. Commissioner Sahagun made a motion for the Commission to encourage that the payroll expense tax ordinance not be retroactive and for the Treasure and Tax Collector to clarify how it applies to some companies and not others. Commissioner Alberts seconded the motion. The motion passed with 6 yes votes. Commissioner O'Connor abstained.

Item 7- Presentation and discussion on San Francisco Public Utilities Commission's (SFPUC) SF Sewer System Master Plan Project. Presentation by Tyron Jue, Public Relations Officer (Discussion Item)
Tyrone Jue, Public Relations Office for the SF Public Utilities Commission, stated that they too are being preemptive, in wanting to fix the problem before it gets worse. He stated that they are looking at the next 30 years, accessing what they need to do to fix a sewer system that is in much need of repair, the problem being a 70 plus year old infrastructure, adding that there are also seismic reliability issues. He said that they are trying to do this the right way, by allowing the public to provide input, and only after a public process, they will come up with a draft plan. He said there have been a lot of master plans, which he said they have learned a lot from. He continued with a PowerPoint presentation that showed the system as it currently is, and he discussed some possible changes, including relocating the plants and alternative treatment options. Commissioner Richardson thanked Mr. Jue for acknowledging that the Southeast section of the city bares most of the burden, adding that it was not the original idea, stating that at some point it was decided that bonds would be issued to pay for water not sewer. She clarified that what they are hearing is that rates will not go down for a long time. Tyrone Jue replied stating that unfortunately this would likely be the case, adding that it will need to be paid somehow. Commissioner Sahagun expressed his concern with respect to increasing rates, stating that already San Francisco pays higher rates than surrounding areas. He said there is no need to reinvent the wheel, adding that other municipalities are doing things that work and cost less. He asked what the total amount of revenue received on sewer rates. He also asked if a portion of the sewer tax that is collected goes toward maintenance. He questioned how much higher sewer rates could go. He asked if the recycled water that had been referenced in the presentation could be used for Golden Gate Park for example, rather than discharging it to the ocean. Commissioner Thigpen asked if the PUC is actively looking for small business contractors to do some of this work going forward. She suggested that they go and speak to businesses in the various corridors, adding that they are the ones that are out there everyday.

Item 8 - Presentation and update on Community Benefit Districts and the Neighborhood Market Place Initiative.
Lisa Pagan of the Mayor's Office of Economic and Workforce Development talked about the Community Benefit Districts (CBD's), briefly giving an overview of what they are, what they do, and how they are developed. She reported that in the past few years, San Francisco has seen the development of an additional 5 CBD's, the first

being the Union Square Business Improvement District or BID. She explained that CBD's provide services to a particular area of a neighborhood, which is outlined and determined by a Board in charge of overseeing the CBD. She said the services may include street trees, greening and planting, lighting, banners, flower baskets, street furnishings, graffiti removal, enhanced trash and debris pick up, and marketing and district promotions among others. She said that property owners have to agree to access a tax on themselves, and said that the money from this tax go to pay for the added services. She explained that the property owners actually have to vote for it, and then it goes before the Board of Supervisors, where it is approved and becomes law. She stated that a non profit is formed with a Board of Directors that as a group oversee the CBD and decide how to allocate funds. Commissioner Thigpen asked if the local ordinance could be amended to hire homeless people to work in the CBD. Lisa Pagan responded stating that it could perhaps be done if the Board could be convinced that this is important city-wide. Commissioner Ventura asked for success rates. Lisa Pagan responded stating that they were still fairly new thus they did not have a lot to go on; however she said that the Union Square BID had proven to be extremely successful. She said it depends on what the community focuses on but said that from the looks of things they are successful in all areas. Commissioner Murad thanked Ms. Pagan for her hard work, particularly in the Mission, which recently became a CBD, of which he is a member. Commissioner Alberts stated that she would like to get economic results of the CBD's and success stories. She also requested to get information on the tax increases that businesses are required to pay. Commissioner O'Connor stated that many small businesses simply do not want to step up to the plate and they should. Don Shaffer, a member of the public inquired about the 20% of merchants on the Board, asking what percent have to vote in order to make something happen. Lisa Pagan responded stating that the city does not spell that out for them, it's not in the legislation, and said that it is something that the Board of Directors of the non profit will decide.

Item 9 - Presentation and discussion on San Francisco California Transportation Authority's (CTA) Parking Management Study
Tilly Chang of the San Francisco California Transportation Authority (CTA) stated that the purpose of the study is to look at the feasibility of using pricing and other innovative strategies. She said the studies approach will be to examine 4 neighborhoods with varying characteristics, to evaluate alternative strategies, and to consider parking benefit districts, which she said would reinvest revenue from parking rate increases to the areas in which they were collected to fund transportation. She said that they are working with the Department of Parking and Traffic, adding that the study should be completed by summer 2006. For more information she said folks could call Ryan Harris at 522-4804, or via email at ryan.harris@sfcta.org. Commissioner Thigpen asked what the Commission could do in regard to this study. Tilly Chang replied stating that they would like to get input and feedback both from the Commission and the small business community. She also said that they would be interested in suggestions on other groups or people to meet with and discuss the study. Commissioner Sahagun expressed his concern over the fact that there is hardly ever a small business representative on any task force or decision making group. He suggested that going forward small business ought to be at the table. He said that he liked the color coded marking meters, clearly visible while driving by, and he suggested that the parking card be sold and available in more small neighborhood places with commission. He asked how the parking benefit district differs from Supervisor Alioto-Pier's legislation. Tilly Chang responded stating that Supervisor Alioto-Pier's legislation was only for Sunday's and the group that would distribute the funds was composed differently as well.

Item 10 - Presentation and discussion on San Francisco California Transportation Authority's (CTA) Geary and Van Ness Bus Rapid Transit Studies
Julie Kirschbaum, Senior Planner at the San Francisco California Transportation Authority said that she is working on a study to address the benefits and impacts of a

Bus Rapid Transit (BRT) on Geary Boulevard, adding that they are also looking at a similar study on Van Ness Avenue. She explained some of the details, focusing mainly on Geary Boulevard because of the controversy with this study and the business community in that area. She said she would be interested in getting the Commissioners feedback as business owners themselves. She said the reason for looking at BRT is that MUNI has a reputation and a credibility problem, service becoming increasingly less reliable, not more reliable. She said that when they look at the 25 year trends, they notice that people are not opting for public transportation, but rather are opting to get into their vehicles. She said BRT is a way to reverse those trends, by giving people a better high quality service than they are currently offered; adding that it is high quality, cost effective and works on the model of inter agency cooperation, which she said is the reason that the CTA is leading the study. She presented slides which showed the key elements of the BRT, which has a designated lane and separates cars and buses. However she said that the bus does not run on tracks, but rather just a separate lane with regular bus vehicles, which she said gives them a lot of flexibility because the bus can operate on regular portions and regular lanes. She said that it also has high quality shelters and features that speed up boarding such as low floor buses so that it is easier to step on for seniors and people with disabilities. She said it has real time information so that you know when the next bus is coming, and has ticket vending machines so that people could purchase their tickets before boarding and will allow all door boarding similar to the light rail system. She said that it also has transit signal priorities, which allows transit to communicate with the traffic signals and have extended greens for the buses. She said that they also plan to have a series of pedestrian improvements as part of the BRT package. She said some of the key goals with BRT include faster and more reliable service, improved access to businesses and neighborhoods, safer and more pleasing walking environment, and stronger neighborhood character and identity. She said that they are evaluating both side and center dedicated lane options to see what meets their key objectives best. She said these objectives would meet the needs, which include better and more reliable service and more rapid service in the north part of the city. She continued by explaining where they are in the process, stating that they have developed designs, of which there are several, each listing the advantages and disadvantages of the particular design. She said the next steps would be to take these designs to community groups and merchant groups to get input. She said that already there is a real concern from merchants that this will have light rail impacts, such as the construction impacts experienced with the light rail on Ocean Avenue and more recently Third Street, however she stated that this was not true. She said the other myth is that business customers drive and this will be worse for them because there will be a loss of parking, adding that this also is not true, stating that they are committed to parking on all blocks. She concluded by stating that they are in the infancy of the project and said that right now is a good time to provide input, adding that they have prepared a survey as a way to get input from the community and she encouraged the commission and the public to fill it out. She directed folks to the website at www.GearyBRT.org. Commissioner Richardson stated that the Fillmore Bridge when it was constructed had a lot of racial undertones. Julie Kirschbaum stated that they are trying to fix a bad mistake and said they are very committed to working with the Fillmore and the Western Addition communities, adding that they are trying to be real cognizant of that. Commissioner Alberts asked where the 50 billion dollars is coming from. Julie replied stating that it is money that they would access early on, adding that it is not a new tax. Commissioner Sahagun asked who they were working with in terms of merchant groups. Julie Kirschbaum replied stating that the President of the Geary Boulevard Merchants Association is the Project Area Committee (PAC) leader, and is also the most outspoken against the proposed project, adding that he has rallied his folks, including other merchants and community member, but said that his position is based on misinformation and said that as such they felt the need to go directly to the merchants door to door. As for Van Ness, she said they were working with the Lower Polk merchants and the Fillmore merchants. Commissioner Sahagun said that it was important to get all stakeholders

talking and at the table. Commissioner Thigpen asked if they had reached out to the Golden Gate Restaurant Association, of whom many members may be located in the area. Julie Kirschbaum said that to her knowledge they had not, but she took note of the suggestion. The commission thanked the CTA for their presentations.

Item 11 - Report on the Small Business Commission's 2005 Shop Local First campaign and event
Don Shaffer, Director of BALLE, Business Alliance for Local Living Economies reported on the 2005 Shop Local First campaign stating that considering the scarce resources that they had to pull off this event and campaign it had still been effective and the goals met, including highlighting small businesses and highlighting the commission. He reported that they had coordinated 16 neighborhoods, distributing over 700 letters and over 12,000 posters and counter cards. He said that they had canvassed the various neighborhoods and had talked with roughly 200 business owners and or managers, explaining the campaign. He said that they received a lot of good feedback, and said that he had submitted a database to Agnes of these businesses. He reported that the campaign and event had received notice in some of the local papers including the Chronicle, Bay Guardian, Examiner, San Jose Mercury News, and 6 neighborhood papers, including 2 Chinese papers. He reported that the event at Union Square generated over 24 thousand dollars in sales for the participants, stating that 45 of the 46 said that they would participate again. He offered a couple recommendations going forward including more time to prepare the campaign and event, and more money allocated to the campaign and event. He said they could only do so much in terms of advertising with limited funds, and said that the more advertising that they could do, the more awareness would be raised. Commissioner Sahagun congratulated BALLE on a job well done. He said he preferred the new title to past years title. For future years he suggested leveraging dollars with private sponsorships.

Item 12 - Discussion and possible action on File No. 060013 [Ordinance amending Section 2809 of the San Francisco Police Code to allow pawnbrokers to operate on Sundays and on Monday's following a holiday, and to make clerical corrections]
This item was tabled

Item 13 - Discussion and possible action on File No. 060083 [Ordinance amending Public Works Code Section 170 to require replacement of garbage receptacles after collection into an enclosed area or other area that blocks views of the receptacle from the public right-of-way; and making environmental findings]
This item was tabled

Item 14 - Discussion and possible action on File No. 060247 [Minimum Wage Implementation & Enforcement]
This item was tabled

Item 15 - Discussion and possible action for the Small Business Commission in partnership with Treasurer Jose Cisneros' office to recognize businesses which have existed since prior to 1906 as part of the centennial anniversary in April
Commissioner Ventura made a motion to approve the partnership and to recognize small business survivors of the '06 quake. Commissioner Sahagun seconded the motion. Unanimous approval from the Commission.

Item 16 - Discussion and possible action to request a status report/hearing on Neighborhood Economic Development Organizations and their current and future role in small business advocacy and promotion in SF
This item was tabled

Item 17 - Discussion and possible action for the Small Business Commission to hold a

joint hearing with the Access Appeals Commission to discuss accessibility issues in the small business community
This item was tabled

Item 18 - Discussion and possible action for the Small Business Commission to hold merchant walks in the neighborhood commercial corridors
This item was tabled

Item 19 - Discussion and possible action on the six community forums related to the Mayor's Executive Directive
Commissioner Ventura stated that he and Agnes had been discussing ways for the Commission to outreach to the small business community in response to Mayor Newsom's directive to increase the city's contracting opportunities for small businesses. He reported that together with Naomi Little, Purchaser, they had conceived having city sponsored forums, where the business community could come and learn about contracting opportunities and how to do business with the city. He said that they thought to hold such forums in the community and he distributed a list of possible locations by business categories. He asked for the commission's approval of the proposed list of forums and locations. Commissioner Sahagun made a motion to approve the proposed forums, subjects and locations. Commissioner Thigpen seconded. Unanimous approval from the Commission.

Item 20 - Committee Assignments - allows the President of the Commission to make committee assignments
This item was tabled

Item 21 - President's Report - allows the President to report on recent small business activities and make announcements
This item was tabled

Item 22 - Vice President's Report - allows the Vice President to report on recent small business activities and make announcements
This item was tabled

Item 23 - New Business -allows the Commissioners to introduce new agenda items for future consideration by the Commission
Commissioner Ventura requested to bring the Department of Parking and Traffic back to discuss the map of the yellow zones in the city and address what they see and don't see on the map.

Item 24 - General Public Comment -allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration
Leo Portal, a member of the public speaking on Item 5 stated that the issue of the streets and having them torn up for repaving and or utility work is quite destructive to the neighborhoods. He suggested that the city hire qualified contractors to do the work, because he said what often happens is that work needs to be re done due to bad jobs the first time around. He said that there needs to be a policy that addresses the issue of shoddy jobs.

Item 25 - Adjournment
Commissioner Sahagun made a motion to adjourn. Commissioner Richardson seconded. Unanimous approval from the Commission. The meeting was adjourned at 8:40 P.M.

City and County of San Francisco

SMALL BUSINESS COMMISSION

Notice of Meeting & AGENDA
For
Monday, April 10, 2006

City Hall, Room 400

5:30PM

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SF
S52
#1
4/10/06

COMMISSIONERS:
Jordanna Thigpen, President
Michael E. O'Connor, Vice President
Florence Alberts
David Chiu
Gus Murad
Dr. Raye Richardson
Richard Ventura

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Agnes Briones, Executive Director
Commission Secretary, Martha Yañez

1 DR. CARLTON B. GOODLETT PLACE, ROOM 448 SAN FRANCISCO, CALIFORNIA 94102
(415) 554-6134

1. Roll Call for the April 10, 2006 meeting of the Small Business Commission
2. Approval of the February 13, 2006 and March 6, 2006 Small Business Commission meeting minutes (Action Item)
3. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
4. Presentation from the Office of the City Attorney on the role and responsibilities of members of the Board of Supervisors to refer and present legislation to the Small Business Commission (SBC), and on the rights, duties, and responsibilities of the SBC with regard to recommendations and proposed amendments to legislation (Discussion/Action item)
5. Presentation, discussion and possible action on File No. 060321 [Resolution allowing for occupancy of a portion of the sidewalk and the parking lane on the east side of Fillmore between Chestnut and Bay street from 8:00AM to 3:00PM on every Saturday between May 6, 2006 through October 28, 2006]. Presentation by Rob Black, Legislative Aid to Supervisor Alioto-Pier (Discussion/Action Item)
6. Presentation, discussion and possible action on File No. 060250 [Closing specified streets in Golden Gate Park on Saturdays on a trial basis for six months beginning Memorial Day Weekend 2006]. Presentation by Leah Shagum of the Bicycle Coalition (Discussion/Action Item)
7. Discussion and possible action on File No. 060247 [Minimum Wage Implementation and Enforcement.] (Discussion/Action Item)
8. Presentation, discussion and possible action on File No. 060343 [Adopting the Redevelopment Plan for the Bayview Hunters Point Redevelopment Project], & File No. 060354 [Approving General Plan amendments to South Bayshore Area Plan.] (Discussion/Action Item)
9. Presentation, discussion and possible action on File No. 050784 [Establishing a Small Local Business Enterprise Program; Prohibiting Discrimination in Contracting and Subcontracting.] Possible presentation by the Office of Supervisor Fiona Ma (Discussion/Action Item)
10. Presentation, discussion and possible action on File No. 060367 [Adding qualified non-profit enterprises to Small Local Business Enterprise Program.] (Discussion/Action Item)
11. Discussion and possible action for the Small Business Commission to hold merchant walks in the neighborhood commercial corridors. Presented by Commissioner Richard Ventura (Discussion/Action Item)
12. President's Report – allows the President to report on recent small business activities and make announcements (Discussion Item)
    (Small Business Week: Issues Forums and more, Small Business Survivors Recognition)
13. Vice President's Report – allows the Vice President to report on recent small business activities and make announcements (Discussion Item)
    (Back Street Business Advisory Board, Healthcare Access Council, Small Business Advisory Panel)
14. Director's Report – allows the Director to report on recent small business activities and make announcements (Discussion Item)
15. New Business –allows the Commissioners to introduce new agenda items for future consideration by the Commission. See some items below among possibly others (Discussion item)
16. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
17. Adjournment (Action item)

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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8. Presentation, discussion and possible action on File No. 060343 [Adopting the Redevelopment Plan for the Bayview Hunters Point Redevelopment Project], & File No. 060354 [Approving General Plan amendments to South Bayshore Area Plan.] (Discussion/Action Item)
9. Presentation, discussion and possible action on File No. 050784 [Establishing a Small Local Business Enterprise Program; Prohibiting Discrimination in Contracting and Subcontracting.] Possible presentation by the Office of Supervisor Fiona Ma (Discussion/Action Item)
10. Presentation, discussion and possible action on File No. 060367 [Adding qualified non-profit enterprises to Small Local Business Enterprise Program.] (Discussion/Action Item)
11. Discussion and possible action for the Small Business Commission to hold merchant walks in the neighborhood commercial corridors. Presented by Commissioner Richard Ventura (Discussion/Action Item)
12. President's Report – allows the President to report on recent small business activities and make announcements (Discussion Item)
    (Small Business Week: Issues Forums and more, Small Business Survivors Recognition)
13. Vice President's Report – allows the Vice President to report on recent small business activities and make announcements (Discussion Item)
    (Back Street Business Advisory Board, Healthcare Access Council, Small Business Advisory Panel)
14. Director's Report – allows the Director to report on recent small business activities and make announcements (Discussion Item)
15. New Business –allows the Commissioners to introduce new agenda items for future consideration by the Commission. See some items below among possibly others (Discussion item)
16. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
17. Adjournment (Action item)

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Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

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City and County of San Francisco
Small Business Commission

April 10, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, April 10, 2006 5:30 PM

Small Business Commissioners:

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

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Members Absent: None

Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, April 10, 2006 in regular session. The meeting was called to order at 5:40PM

Item 2 - Approval of minutes for the February 13th & March 6, 2006 meeting of the Commission (Action Item)
Commissioner Ventura made a motion to approve the February 2006 meeting minutes as submitted. Commissioner O'Connor seconded. The minutes were unanimously approved.

Commissioner Ventura made a motion to approve the March 2006 meeting minutes as submitted. Commissioner Murad seconded. The minutes were unanimously approved.

Item 3 - General Public Comment (Discussion Item)
Supervisor Sean Elsbernd presented former President of the Small Business Commission, David Sahagun with a Certificate of Honor, on behalf of the Mayor, the Board of Supervisors and the Commission for his tireless work as a member of the Small Business Commission, stating that Dave's dedication and commitment to our City and to the Small Business community over the years were deeply appreciated by all. Commissioner Thigpen also expressed her sincere gratitude to David Sahagun for seeing the transformation of the Commission from an advisory body to a Chartered Commission and for his leadership. Scott Hauge, with Small Business California thanked David Sahagun for all his work with the Commission and the small business community. On a separate note, he recognized that the commission would be discussing ways to better communicate with Board of Supervisors, which he said is very important. For example he reported that the proposed amendments to the

Minimum Wage Ordinance, which would impose an annual fee of $39 to every business to enforce the Ordinance, were scheduled to be heard in committee on Wednesday. He expressed his concern that yet again, the commission had not been consulted prior to the introduction of this amendment. Instead he said this is something that is being brought forth by non profits that do not pay the minimum wage. As such, he suggested that the commission closely review this item and send it back to the Board adding that the legislation is premature.

Item 4- Presentation from the Office of the City Attorney on the role and responsibilities of members of the Board of Supervisors to refer and present legislation to the Small Business Commission (SBC), and on the rights, duties, and responsibilities of the SBC with regard to recommendations and proposed amendments to legislation
Virginia Dario Elizondo, Deputy City Attorney reported on the duties and responsibilities of the Small Business Commission by reviewing Article XVI of the Administrative Code, which refers to the Small Business Commission. She pointed to Section 2A.240, Small Business Commission Powers and Duties (a) 6, which stated that the Commission shall review all legislation affecting small businesses and make recommendations to the Board of Supervisors. She said that this is a responsibility given to the Commission, not the Board of Supervisors. Commissioner Thigpen clarified that there is no mandate from the Board of Supervisors to refer legislation to the Commission. Virginia Elizondo stated that this was correct. Commissioner Ventura asked what the best way would be for the Commission to communicate with the Board. Virginia Elizondo suggested that the Commission could direct staff to meet and follow up with Board members and their staff. She also said that perhaps commissioners themselves have relationships with certain Board members and she encouraged commissioners to foster these relationships. Commissioner Ventura asked if it would be appropriate for the Commission to send a representative of the Commission to go before the Board or a committee of the Board to speak on an item. Virginia Elizondo said that it would only be appropriate if the Commission had voted on the item being discussed and they wanted to state the position that they took. Otherwise she said any member of the Commission could go before the Board or a committee of the Board representing only themselves and not the Commission if the Commission had not met and voted on the item. Director Briones Ubalde asked if the Commission could possibly amend the Admin Code so that any legislative item that has the potential to impact small businesses must go before the Small Business Commission prior to the Board of Supervisors taking action on it. Virginia Elizondo replied stating that this would require a Charter Amendment and thus voter approval. The Commission thanked Ms. Elizondo for her presentation.

Item 5 -Presentation, discussion and possible action on File No. 060321 [Resolution allowing for occupancy of a portion of the sidewalk and the parking lane on the east side of Fillmore between Chestnut and Bay street from 8:00AM to 3:00PM on every Saturday between May 6, 2006 through October 28, 2006]
Rob Black congratulated new President Jordanna Thigpen. He said he had not been before the Commission since she took office as President and he said it was a good choice. With respect to the resolution he said it was the 3rd year that this was being introduced. He said the resolution relates to the Farmer's Market in the Marina, which he admitted had been somewhat controversial in previous years. He said that they were able to learn from the past and have made changes and amendments to the point where there seems to be no issues with it this year. As such he asked for the Commissions support of the proposed resolution.
Commissioner Ventura made a motion to support the proposed Resolution allowing for occupancy of a portion of the sidewalk and the parking lane on the east side of Fillmore between Chestnut and Bay street from 8:00AM to 3:00PM on every Saturday between May 6, 2006 through October 28, 2006. Commissioner Murad seconded the motion. The motion was unanimously approved by the Small Business Commission as stated.

Item 6- Presentation, discussion and possible action on File No. 060250 [Closing specified streets in Golden Gate Park on Saturdays on a trial basis for six months beginning Memorial Day Weekend 2006].
Leah Shagum of the Bicycle Coalition, presenting on behalf of Supervisor McGoldrick who was not able to be present talked about the proposed ordinance stating that the legislation, introduced by Supervisor Jake McGoldrick, would create safe recreational space on the eastern 1.5 miles of John F. Kennedy Drive in Golden Gate Park. This would be a 6-month trial. It would be identical to the Sunday car-free recreational space that has been popular for 39 years. She said that by expanding car-free space in San Francisco's most popular Park to Saturdays provides a healthy and safe play and recreation zone for kids, families, and everyone who lives in or visits the City, adding that it is one of the few places in the city to walk, push a stroller, run, skate, ride a bike (even beginners!) or just relax in a safe, car-free space. She reported that she had gone out and spoke to people who have been out there on Sundays to find out why they come and from where, and said that she found that they are coming from outside the city just for Sunday's in the park, or they are coming from other neighborhoods in the city such as the Bayview just to be able to ride bikes and or skate in the park. She reported that Sunday in the park is the most popular Park and Recreation program currently offered. Speaking to objections that have been raised to Healthy Saturdays she reported that the main objections have been the loss of parking and access to the museums in the park. However she said that the museums and other cultural institutions will be accessible by the new 800-car garage, the Park shuttle, and by hundreds of additional on-street parking spaces in other areas of the Park. Additionally she said that disabled visitors to the Park can drive on all JFK Dr. with a disabled placard, and new disabled parking spaces will be created near the Conservatory of Flowers. With regard to the status of the legislation, she reported that it is scheduled for a vote at the Board's Land Use Committee on April 14th. If passed, the 6-month trial would begin on May 27th and run through November 25th, 2006. After that, she said the Departments of Parking & Traffic and Recreation & Parks would present analysis of the trial to the Board, which would hold public hearings to discuss the experience, adding that new legislation would be needed to reinstate Healthy Saturdays. Jim Iwerson, a member of the public and Secretary of the Inner Sunset Merchants Association stated his support for the legislation. He said that the people in the neighborhood love it because it is a walk-able neighborhood. He said that this was a no brainer seeing the huge success of Sundays in the park. He said that while there has been no official representation from the groups in the area, he as a small business person was in support of it. Commissioner Thigpen asked Mr. Iwerson if the Inner Sunset Merchants voted on this proposal. Mr. Iwerson stated that they had not, however he said that they had discussed it and that there are people on both sides of the issue. Commissioner Ventura reported that the Commission had received a letter from Craig Dawson of the Inner Sunset Merchants Association expressing his concerns over current transportation problems brought on by the Sunday and Holiday closures of JFK Drive, and how he would prefer to resolve these ongoing issues before introducing another element, which he believes will add to the current problems. As such he said he was not comfortable making a decision at this time. Commissioner O'Conner asked Mr. Iwerson about his business in the Inner Sunset. Mr. Iwerson responded stating that his business was a home based business, adding that he does not have foot traffic or otherwise to his business. Chris Duderstat, a member of the public and member of the Inner Sunset Merchants, with a design business at 10th and Irving since 1978, expressed his support for the legislation. He said that while his business does not generate a lot of foot traffic, the neighborhood for the most part is a walking neighborhood. He remembered the King Tut exhibit at the De Young in 1979, which attracted over 2 million people in 3 months, as well as a typical Saturday before they closed the concourse, with the thousands of cars per hour that would pass through the concourse and through their neighborhood, adding that the same thing happens on Saturdays and on weekdays during rush hour. He said that the neighborhood was given back to the people who use the neighborhood when they closed the park on Sundays. He asked the

Commission to imagine the thousand cars per hour combined with other transportation problems in the neighborhood, including the N Judah, the 44 and the 42 MUNI lines, stating that they all pass through the same area, creating a huge issue for the transit system and a huge issue for the people in the neighborhood. He said that since the De Young, the garage, and the concourse have reopened, they've made a huge effort to prevent people from using this as a cross park, but said that at the current rate of 700 cars per hour, the traffic is just degrading the quality of life of the neighborhood and the businesses in the neighborhood. Additionally he said that parking spaces have been removed on JFK, leaving 140 spaces for Healthy Saturdays. He said that the De Young folks have come out and said that they would not be economically viable without these spaces, but he added that they also underestimated the number of visitors in three separate EIRs, expecting to level off at 750,000 visitors per year, and to date have had 1 million. He said folks are getting there nonetheless. With regard to Craig Dawson's letter, he agreed that he had a legitimate concern with current transportation issues, particularly with intersection of Stanyan and Fulton Streets, adding that there are suggestions for the improvement that have been mentioned in all three EIRs, but which he said for some reason are not being implemented by DPT. He said this is what Mr. Dawson is referring to, how people get around the park. He said he was anxious to work on that with everyone else and asked for the commission's support of the legislation. David Sahagun, a member of the public and resident of the surrounding area, stated that he knows Craig Dawson and said that he is trying to do good things in the community, one of which is to organize the merchants out there. He said that if Craig thinks this warrants more discussion and review, he would have to agree. He pointed out that the map of the park that had been presented to show the closure was not accurate, stating that Stanyan Street is closed, so that all traffic going from the east to the west is funneled to one lane off Lincoln around Keezar Stadium. He agreed that Healthy Saturday's was a good idea, but he suggested sending the legislation back to Supervisor McGoldrick's office in order for these issues to be ironed out.
Commissioner Ventura said he was not comfortable not knowing the merchants association side on the issue. Leah Shagum said that there are a lot of businesses that are profiting from the Sunday's at the Park, adding that the Inner Merchants had discussed the item, but did not take a position one way or the other. Commissioner Alberts stated that there were also the Richmond merchants and wondered if they had been contacted. She was not comfortable with the idea of limiting museum access, stating that it would not be good for the city, adding that there is already much confusion in this area of the city and people will just tend to go elsewhere if it gets worse. Commissioner Chiu stated that he was honored to work with all commissioners and said that he had heard from the Inner Sunset Merchants and said that what he has heard are good things about the pedestrian traffic, stating that they feel it adds to their business. He said that if they could deal with some of the other traffic issues, it would be a good thing for the neighborhood. Leah Shagum added that they believe that more people in the park regardless of how they get there is better. Commissioner Thigpen asked how their study will or will not be the same as the CTA study. Leah Shagum responded stating that she heard a little bit about the CTA's study, but said that she thought CTA's would be more merchant corridor based whiles theirs would be more specific for the six months of the study. Commissioner Ventura said that it was a great idea overall but he did not think that all the stakeholders had been contacted and said that moving forward he would suggest that they be contacted. Leah Shagum said that they did speak with Craig Dawson and they heard his concerns, and said that they are trying to address this with the help of DPT. Commissioner Murad said that his main concern would be how this change would affect the merchants, and said that he would like to go and check for himself. Commissioner O'Connor agreed that he too would be interested in doing likewise. Commissioner Chiu said that he would support a motion at a future meeting since it appears that fellow commissioners do not seem to be ready to move forward with the legislation as is.
Commissioner Chiu made a motion for the Commission to support the proposed

legislation with the strong caveat that the traffic impacts be considered at the Land Use Committee. Commissioner O'Connor seconded the motion and added that there needs to be more input from the stakeholders. Commissioner Chiu accepted the amendments. The motion passed unanimously.

Item 7- Discussion and possible action on File No. 060247 [Minimum Wage Implementation and Enforcement]
Commissioner O'Connor said that he would like to see a sunset clause in this legislation, stating that this is the only concern he has with the proposed legislation. Commissioner Ventura said that he would prefer to see a penalty and not a fee. Commissioner Murad agreed that a penalty would be better than another fee, stating that there are already too many fees, and while the $39 does not seem like a lot, it adds up when all other fees are considered. Commissioner Alberts concurred with fellow commissioners.
Commissioner Ventura made a motion to support the proposed minimum wage ordinance with the amendment that a fee not be imposed on the business owner, but rather that a fee or penalty be assessed on those businesses that are not compliant. Commissioner Murad seconded the motion as stated. The motion was unanimously approved by the Commission as stated.

Item 8 - Presentation, discussion and possible action on File No. 060343 [Adopting the Redevelopment Plan for the Bayview Hunters Point Redevelopment Project], & File No. 060354 [Approving General Plan amendments to South Bayshore Area Plan]
This item was tabled.

Item 9 - Presentation, discussion and possible action on File No. 050784 [Establishing a Small Local Business Enterprise Program; Prohibiting Discrimination in Contracting and Subcontracting.]
Bill Barnes of Supervisor Fiona Ma's Office provided some back ground information in as far as the legislation is concerned, stating that it is a result of the ruling in the case against Proposition 209, which he said the City Attorney did a good job at trying to protect but ultimately the city lost, thus this local program, which gives preferences to small local business enterprises and prohibits discrimination in contracting and subcontracting. He stated that this legislation is scheduled to be heard at the Rules Committee on Thursday and said that the amendments will likely be introduced at that hearing. He reported that there is an emergency ordinance that has been in place and is being used currently, but said that it would be replaced with this permanent ordinance if passed. Commissioner Ventura said that he was glad to see this is before the commission, adding that he and Director Briones Ubalde had been working on this matter for some time with Supervisor Ma and Virginia Harmond of HRC. He asked if the Coalition has rallied behind the good faith effort clause. Bill Barnes stated that the Coalition, which is an umbrella organization representing stakeholders and various department representatives, said that they are in support of permanent legislation and would eliminate good faith efforts from that legislation. Commissioner O'Connor commended Supervisor Ma for her work on this over the past several months. Bill Barnes asked if the Commission had previously considered this item, stating that if it had, they did not have anything on file stating the position of the commission. Commissioner Chiu thanked the Supervisor and staff for working on this issue, but said that he would like to follow up and know what the Supervisor and the Coalition will do, asking if they would agree. Bill Barnes said that while he did not want to speculate, the Supervisor has generally agreed with the Coalition and has in the past incorporated the amendments that they have made, adding that she is only one of eleven supervisors however.
Commissioner Ventura made a motion to support the proposed legislation. Commissioner Murad seconded. The motion was unanimously approved by the Commission.

Item 10 - Presentation, discussion and possible action on File No. 060367 [Adding qualified non-profit enterprises to Small Local Business Enterprise Program]
Director Briones Ubalde offered to reach out to Supervisor Tom Ammiano's office on this issue if the Commission so chooses. Commissioner Chiu said he would support that and would assist if need be. Commissioner Alberts asked why non profits were included, stating that they are treated differently, adding that this should be limited to for profit businesses, not non profits in her opinion. Commissioner Ventura said he disagreed with Commissioner Alberts.

Item 11 - Discussion and possible action for the Small Business Commission to hold merchant walks in the neighborhood commercial corridors.
Commissioner Ventura stated that he wanted to discuss conducting merchant walks and possibly having meeting in the corridors as well. He asked the commission which areas they would like to tackle first.

Item 12 - President's Report
Commissioner Thigpen briefly mentioned the Commissions upcoming Small Business Week, May 15-20, 2006. She also announced that the Commission had recently honored businesses that have been in business since 1906 as part of the 1906 Earthquake Centennial Events, adding that it was a good event. She thanked those commissioners that were able to attend and said she looked forward to other events along those lines. Director Briones Ubalde stated that this was a group effort, which originated by former Small Business Commissioner Gwen Kaplan, and involved the Treasurer and Assemblymen Leno's office as well. She reported that about 10 of the businesses were present to receive their certificates, with 60 additional certificates that were prepared for the other surviving businesses which would be mailed. Commissioner Alberts reported on the International Task Force, stating that it has been very successful in bringing the three entities together. For example, she reported that Mark Chandler of the Mayor's Office of International Trade and Commerce included the Task Force in the Ho Chi Minh Exhibit at City Hall. Furthermore, she reported that Stephan Crawford invited her to attend and represent the Task Force at the California Department of Commerce's Singapore Hearing, both of which are investment opportunities for small business owners. She also reported that she would be doing some work on Greening efforts, working with Virginia St. Jean from the City, and Dr. Richard McCline of SFSU.

Item 13 - Vice President's Report
Commissioner O'Connor reported that a couple of the task forces that he has been involved with are starting to wrap up, those being the Back Street Business Advisory Board, which looked at PDR businesses in the Eastern Neighborhoods, and the Small Business Advisory Board, which is looking at streamlining the permit process for small businesses, both of which will be coming out with their respective recommendations. Regarding the Health Care Council, he said that it is a 100 day task force and they are roughly 60 days into it, and will also be coming out with recommendations and proposals. He commented on the Economic Strategy Plan, stating that as he had expected, the findings are showing that small businesses are really at the heart of San Francisco business, and will continue to be the case, thus the work and timing of the task force is crucial to creating a friendly business environment.

Item 14 - Director's Report
Director Briones Ubalde followed up on Commissioner O'Connor's comments about the Small Business Advisory Panel, reporting that Commissioner Murad had participated in one of the panel discussions. She reported that they had also been looking at best practices and had done research from around the country as well as interviews from various city representatives on what they think are the key critical points that make it challenging to do business here. Furthermore she reported that the Commission in partnership with SFSU's Ohrenschall Center for Entrepreneurship to conduct a survey

of businesses to find out if there exist sufficient resources that are accessible and appropriate for small businesses owners to assist them in growing their businesses. She reported that thus far there have been 1,500 surveys sent out to businesses in the West Portal area, and an additional 6-8 hundred that are made available at the SBC office as well as the Treasure Tax Collector's office.

Item 15 - New Business
Commissioner Thigpen requested that the Small Business Commission hold a special hearing with the Access Appeals Commission to discuss some of the positive aspects of a business becoming accessible. The tentative date would be Monday, May 1st.

Item 16 - General Public Comment
No public comment at this time.

Item 17 - Adjournment
Commissioner Murad made a motion to adjourn. Commissioner Chiu seconded. Unanimous approval from the Commission. The meeting was adjourned at 7:40 P.M.

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SMALL BUSINESS COMMISSION
NOTICE OF MEETING & AGENDA

Monday, May 8, 2006
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

3. **MEANINGFUL PAYROLL TAX REFORM:** Presentation, discussion and possible action on the status of the formation of a task force to consider a gross receipts alternative, and to introduce potential related legislation. Presentation by President Jordanna Thigpen (Discussion/Action Item)

4. **WESTERN SoMa PLANNING AREA SPECIAL USE DISTRICT (File No. 060483):** Presentation, discussion and possible action on proposed ordinance amending the SF Planning Code by adding Section 823 and amending Sheets 1SU, 7SU, and 8SU of the Zoning Map of the City and County of San Francisco to establish the Western SoMa Planning Area Special Use District in the area generally bounded by Mission Street to the north, Townsend Street to the south, Division Street to the west and 4th Street to the east, and consisting of the blocks and lost specifically set forth; and adopting finding including environmental findings and findings or consistency with the General Plan and the Priority Policies of Planning Code Section 101.1 (b). Presentation by Jim Meko, Chair of the Western SoMa Citizen's Planning Task Force (Discussion/Action Item). Explanatory Documents: File No. 060483

5. **FORMULA RETAIL USE; PUBLIC NOTICE – WESTERN SoMa PLANNING AREA SUD (File No. 060482):** Presentation, discussion and possible action on proposed ordinance amending the SF Planning Code by adding Section 803.6 to designate formula retail as a conditional use in the Western SoMa Planning Area Special Use District and by adding Section 803.7 to require public noticing requirements for building permit applications in the at Special Use District; adopting findings including environmental findings and findings of consistency with the General Plan and with the Priority Policies of Planning Code Section 101.1. Presentation by Jim Meko, Chair of the Western SoMa Citizen's Planning Task Force (Discussion/Action Item). Explanatory Documents: File No. 060482

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALL BUSINESS COMMISSIONERS
JORDANNA THIGPEN, PRESIDENT
MICHAEL O'CONNOR, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

6. **AMENDING THE POLICE CODE TO ALLOW PAWNBROKERS TO OPERATE ON SUNDAYS AND ON MONDAYS FOLLOWING A HOLIDAY (File No. 060013):** Presentation, discussion and possible action on proposed ordinance amending Section 2809 of the San Francisco Police Code to allow pawnbrokers to operate on Sundays and on Mondays following a holiday, and to make clerical corrections. Presentation by Bill Barnes, Legislative Aid to Supervisor Fiona Ma (Discussion/Action Item). Explanatory Documents: File No. 060013

7. **JOBS FOR YOUTH INITIATIVE:** Presentation, discussion and possible action for the Small Business Commission to participate as advocates for the Jobs for Youth program. Presentation by Andrea Small, JFY Business Liaison (Discussion/Action Item)

8. **PRESIDENT'S REPORT:** Allows the President to report on recent small business activities and make announcements – Small Business Week updates (Discussion Item)

9. **VICE PRESIDENT'S REPORT:** Allows the Vice President to report on recent small business activities and make announcements – Back Street Business Task Force, & Health Care Task Force (Discussion Item)

10. **DIRECTOR'S REPORT:** Allows the Director to report on recent small business activities and make announcements (Discussion Item)

11. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the commission (Discussion Item)

12. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

13. **ADJOURNMENT: (Action Item)**

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Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

City and County of San Francisco
Small Business Commission

May 08, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, May 8, 2006 5:30 PM

Small Business Commissioners:

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

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Members Absent: Commissioner Alberts

Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, May 8, 2006 in regular session. The meeting was called to order at 5:37PM

Item 2 - General Public Comment
Scott Hauge with Small Business California announced that he was passing out information on an event that will be held in Sacramento on May 17th, that being California's first annual Small Business Recognition Day, which he said would be acknowledged as such by the governor. He reported that there was a 95% chance that the governor would attend, however he said that the legislation did pass the state assembly. He said the event, which is free and scheduled from 8:30AM-4PM at the Sacramento Convention Center, is an opportunity to meet over 100 government representatives ready to do business with certified California small businesses. He encouraged the commission to announce this event during small business week activities. Commissioner Thigpen agreed to include the event in the calendar on the website.

Item 3- Meaningful Payroll Tax Reform
Commissioner Thigpen introduced the invited guests in the audience that would be speaking on the subject. She provided a status update on the subject matter stating that the commission had voted to establish a task force at the February 13th meeting to look at alternatives to the current payroll tax. She said that the commission made some initial inroads, discussing the matter with different members in city government. She said that they quickly found out that there is a proposal that is proceeding on a parallel track and that there were some folks in the community working on this effort to eventually provide an alternative to the current payroll tax. She introduced NTanya Lee of Coleman Advocates. NTanya Lee said that her

colleagues would begin the presentation and she would follow up. Julian Davis with San Francisco People's Organization said that he had been working with a coalition of groups in the community to speak about trying to revisit the idea of a gross receipts tax in San Francisco. He spoke about Prop K a couple years ago, stating that many people felt that the threshold for exemption was set quite low, to the point where it alienated the small business community and unfairly hit them hard. Having said that he said that they are here to engage the Small Business Commission and work with the small business community to come up with and draft an alternative that can really work and does not negatively impact the small business community. He said this would be a first step in restructuring a flawed tax system in San Francisco. He said that ultimately the proposal being presented focuses on finding the businesses in San Francisco that have the highest profit margin and taxing them in a way that can bring some revenue into San Francisco and address the ongoing challenges in providing health and human services for the community. NTanya Lee, Executive Director of Coleman Advocates for Children and Youth, and one of the leaders and active member of the community based labor and community coalition for the past year, which has been trying to respond to two major issues, one being the structural deficit and the need for a fully restructured tax system that is fair. She passed around a hand out and said that she would speak to the highlights of it. She started by explaining the presentation was simply to gain input, clarifying that there is no legislation before the commission for consideration at this time. She said they want to get input so that they can come up with a tax system that is fair to small businesses and said that they would be willing to take comments and input and rework it based on the comments. The first point she highlighted states that small businesses would be exempt. She said that this is actually a criterion of any of the tax measures that they have looked at. Currently she said they are requesting that the exemption level be at 1 million, which is double the exemption level that was proposed for Prop K. She said some commissioners have suggested perhaps a 2 million dollar exemption and said that they are open to that would like to get more feedback. Secondly she said that the tax is graduated, stating that they felt that the most progressive business tax in the city would be the one that tax the businesses with the highest profit margins and thus they had the city staff and the controller's office get data, which she said they really looked at and have proposed a three tiered structure as a result. The first structure being a high structure for commercial real estate leasing company, one of the highest profit making sectors in the city. The second is .3%, which is for two sectors, information and publishing and legal services, which is about $3 per $1,000. Finally .1% would be for all other businesses. She noted that 1.39% is Oakland's rate, .3% is the old gross receipts rate that the city used to have, and .1% the modest rate that was proposed for Prop K. She said that the estimate is that it would raise about 65 million dollars per year based on the 1 million dollar exemption that would decrees the higher the exemption. Stephen Cornell, a small business owner, stated that he currently pays the payroll tax and would continue to under this proposal He said that he has 12 employees, not exactly a large business. He said that taxes have been around a long time, and everyone wants to say that they will figure it out and charge someone else the tax. He said there is a lot of unfairness about the city, stating that taxes by law can not be imposed on any financial institution or insurance company, non profit or government agency. He said San Francisco has a lot of these groups, thus there would be a lot of tax exempt groups and nothing can be done about this. He reported that he has looked at a lot of different tax structures and suggested that the coalition and the commission look at LA's tax structure, stating that they have done a report and have come up with their own tax structure, instead of reinventing the wheel. Scott Hauge, representing the Small Business Advocates, said that he was also very active in the opposition to Proposition K a couple years back. He commended the commission and especially Coleman Advocates coming forth, as opposed to last time he said that they found out about the tax was when the Mayor announced his budget and said that they had absolutely no input. He said it is very refreshing to be coming in early in the game and being able to address these issues and come up with some type of reasonable solution. He stated that then Proposition

K came forward, he did a lot of work with Los Angeles and talked to folks down there. He said that they council members from LA were very interested in speaking to San Francisco about this, stating that they spent roughly 4 years in developing their tax structure and said that there are a lot of things that San Francisco would benefit from in speaking to LA. He said there is a debate in terms of which one is fairer, gross receipts vs. payroll tax. He noted that Supervisor Fiona Ma had commissioned a task force to look into this, although they were looking at doing away with the payroll tax, not on top of the payroll tax, but he said that there was a sense among many in the business community that the gross receipts tax was a more fair tax, adding that there are something's that need to be worked out, but he said that it is something that ought to be addressed. He concluded by stating that the other thing that is important and must be considered in any kind of tax that is levied is how does it compare with other areas around the state. He said that one of the problems that San Francisco has, is that for a lot of businesses it is very disproportionate. NTanya Lee said she forgot to mention that a key part of their proposal is the idea of having this be a sort of pilot program, because she said that part of the problem of not being able to completely get rid of the payroll tax and replace it with gross receipts, is that the city does not have adequate data to come up with a model that would be strong enough to do that. Commissioner Thigpen asked about the .3% for publishing sector, asking how publishing came up because she did not see it on the NAICS data, adding that anecdotally the data for this sector shows that it is suffering. NTanya Lee said that publishing is under the information category, pointing to the back of the report and said that contrary to what is heard in the mainstream, the sector is actually doing quite well. She said that they have declined in their profit margin compared to previous years, but said that they are still on of the most profitable sectors in the city. Commissioner Chiu agreed with Mr. Cornell and Hauge's comments about reviewing the LA study and should figure out what would need to be done here in San Francisco to implement something similar here. He suggested that this be the subject of a future commission meeting. With regard to this particular proposal he first thanked the representatives of the SF Revenue Coalition, stating that the commission has often talked about the fact that they are often no consulted before legislation is almost final and he was very grateful for their presentation, particularly given the history with Prop K. He also commended them for the exemption level, which is double the level in Prop K, and he suggested and strongly encouraged that there are still plenty of small businesses that exist that are larger than 1 million dollars of gross receipts, so for example, he suggested considering a higher threshold perhaps of 2 million dollars, at which point almost 90% of businesses would be exempt, adding that this would be something that folks in the small business community would be more inclined to consider supporting. Commissioner O'Connor echoed Commissioner Chiu's comments about the timing of this discussion. He also thanked them for bringing this to the commission at this time. He said he would like to see more small businesses participate by coming to the meetings and providing their input. He said that for his personal business, they have gross receipts over 2 million dollars and said that they probably pay over 1 million of that to pay for the bands that come play in San Francisco. He said that there is very little profit in live music sector. He said he was interested in hearing qualitative commentary from small businesses. Commissioner Ventura said that he did not believe they were at the point of looking at exclusions at this time, and not until more data is available. He suggested perhaps using the SBA's definition of small business, stating that they define it as revenues under 2.5 million dollars at the micro level, not to mention small business. He thanked Mr. Cornell for his mention of the LA structure and said that he would like Director Briones Ubalde to work more closely with the coalition as she has information on LA's structure. He also asked who is participating with the group and wondered if there are also people from various areas of the small business community. NTanya Lee said she had read up on LA's structure and was willing to go over some of the details of it. She said it was interesting what they did, although she said she had some concerns about it. She pointed to the bottom of the page which lists the current members of the coalition. She explained that from their analysis of tax measures in San Francisco they have

seen that part of what happens is that there is deficit or crisis and the city elected officials through together a measure at the last minute and try to get people to buy on to a very short term campaign, with no one in the public understanding why the need for an additional tax, thus it fails. She said that they believe that they can construct a fair tax measure early enough, stating that they have been working for a year to build consensus over what is a fair and equitable tax, and put a lot of time up front before legislation is crafted in order to craft legislation that would be fair. She said that they would love to have a broad coalition and to have small business people as part of that coalition, people from all sectors of the city, adding that currently the core members of it are the people who have past experience with tax policy and measures in the city and some electoral experience and who work with community people, working families who will benefit from the revenue. Commissioner Chiu thanked the representatives of the coalition for coming forward and said that he knew some of the individuals who were involved in this process and asked if other folks from the small business community could start to have this dialogue as well, adding that this is part of the reason for this presentation. He said that as a result they approached President Thigpen about being placed on the agenda. Commissioner Murad also thanked the representatives from the coalition, stating that he appreciated it a lot. He asked if they had taken into consideration in regard to profit, not just gross, because he said he agreed that there is a huge difference between gross and profit, echoing the earlier comments that something's may be 5% profit and other 25% profit when you take in that gross number across the board. NTanya Lee, agreed and said that they got to this proposal after reviewing at least 20-30 different options for tax structures and said that they did consider just taxing profit, but they soon realized that such a is illegal because it would basically be an income tax. In the end she said that they felt that exemptions for small businesses would be one way to restructure it so that it is more fair, as well as making the base tax rate .1, and only having a real significant tax rate on the most profitable businesses. Commissioner Murad asked if this proposal would be on top of the existing payroll tax. NTanya Lee replied stating that until the payroll tax could be restructured it would be, adding that it would allow the city to collect the data that is needed to do the big restructuring. She said that the city has said that they will not restructure the payroll tax until they have data on gross receipts to let them know what a restructured tax system would look like, adding that someone has to do it and they need to take the first step. Commissioner Thigpen asked about the collection, stating that there was a discussion about collecting a fee from those that are exempt as well, for example, a $1 fee, because otherwise how will they report. NTanya Lee responded stating that although she did not know for sure, she believed that there is a mechanism to ask businesses to report regardless of the exemption. Commissioner Murad asked how long this process would take. NTanya Lee said she was no sure, certainly more than 1 year. Julian Davis added that another thing they had discussed was finding someway to identify businesses that had a high payroll tax burden and work in some potential exclusion or exemption for them, stating that it is something else that they can discuss in terms of easing in so that if they do a complete restructure, in the mean time, they are not unduly burdening people who already have a higher payroll tax. Commissioner Thigpen said that this brought up an interesting point, because for example she said that the biotech industry has an exemption currently from the payroll tax, asking if they would be granted an exemption as well, stating that it is something to think about going forward. Commissioner Murad asked how much payroll tax is collected by the city. Scott Hauge responded stating 280 million. Commissioner Murad stated that he was concerned that this proposal will hurt small businesses, adding that he does not want to loose San Francisco businesses. He said that the rate of 1.39% is a lot of money and he suggested something less than that, a staggering model for example. Furthermore he suggested exemption the first 2 million of any business. NTanya Lee stated that these suggestions were up for discussion, adding that they would need to have the Controller's office run some numbers taking these suggestions into consideration. Director Briones Ubalde asked if they had consulted with city staff, specifically the Treasure and Tax Collector's

office. She said she would also be willing to work with the coalition on these issues discussed tonight. Commissioner Richardson asked if the proposal is for the 65 million to be assessed on top of the current payroll tax, adding that if so, it is double dipping. She also asked how long this would last since it is currently open ended. NTanya Lee stated that it is double dipping but said that the city is not prepared to loose the revenue from repealing the payroll tax. Commissioner O'Connor expressed his concern with the proposal stating that it may encourage folks to downsize and eliminate jobs. He said jobs are the most important thing, particularly with the high rate of crime amongst youth in the city, stating that often youth simply need a job. Commissioner Murad said that he would like to be invited to the coalition's meetings and future discussions on this topic.
Commissioner Chiu made a motion for the Small Business Commission to draft a letter to the San Francisco Revenue Coalition with everyone's feedback, including increasing the amount to be exempted from 1 million to 2 or 2.5 million. Commissioner Richardson seconded. The motion was passed with 5 yes votes. Commissioner O'Connor abstained.

Item 4 - Western SoMa Planning Area Special Use District
Jim Meko, Chair of the SoMa Leadership Council, a citizen's organization in the South of Market, from whence came the Western SoMa Citizen's Planning Task Force, for which he serves as chair. He stated that he is before the Commission with two pieces of legislation, the present Item 4, which covers the special use district, and Item 5, which covers adding some neighborhood notification and conditional use requirement with regard to formula retail to the Planning Code. First with regard to the special use district, he said this is the first step for future plans for the area, which may include a proposed boulevard. He said with this they are understating the land use aspect, stating that he did not believe that any other area in San Francisco has been dumped on quite like the South o Market, stating that the neighbors where never consulted by the Planning Department to find out what they wanted for their neighborhood. He named some of the tenants in the SoMa, which were able to locate there because of this lack of communication and disregard for the neighbors, including the Giants, Costco, Trader Joes and others, adding that no one ever asked the neighbors what they wanted in their neighborhood. Finally he said 4 years ago the Planning Department did approach them and as a result they managed to get the Western SoMa out of the Eastern Neighborhoods Rezoning. He said that the legislation creating the special use district envelopes all this, and makes the Planning Code line up with the area that was designated and set out by the Board of Supervisors resolution that created the Task Force. He said that Paul Lord, representing the Planning Department and also a member of the Task Force would explain this in more detail. He said that Item 5, the Neighborhood Notification/Formula Retail legislation is part of this phase to stabilize the community. He said that John Elberling would be explaining this in further detail as well. Paul Lord, Senior Planner with the San Francisco Planning Department stated that he has been quite involved with this process since it was originally envisioned by Mr. Meko, and then put forward as an idea by Supervisor Daly to create the Task Force. He said the idea of a special use district was brought up in conversations he had with the city attorney's office and the consensus that the Task Force would likely have additional ideas and may wish to add things to it. As a result they came up with the defined area, which was detailed on overhead maps that he presented. He said it applies to Item 5, which has to do with neighborhood notification and formula retail. He presented a second map to explain how they came up with the boundaries of the area, stating that as Mr. Meko noted, the South of Market has been subjected to a number of market and development pressures, and to some degree policy pressures. He explained that to some degree the second map shows just how many ways the area has been sliced and diced from the standpoint of policy, development, land use planning and so forth. He pointed out this area is the Western SoMa area and geography as defined by a residual geography that was not already being planned for by the Redevelopment Agency and by other agencies. He said that the special use district as a piece of legislation does

nothing other than define a geography for the purposes of Item 5 and any subsequent ideas that the Task Force may come up with for rules that would be applicable only to this geography. Commissioner Thigpen stated that she had attended some of the Eastern Neighborhood meetings and wondered what has been the discussion by the Task Force for a seamless transition. Paul Lord replied sating that because the Task Force has not got to the point of making any broad based recommendations in reference to a community plan, not has the Eastern Neighborhoods proposal really been put forth as a proposal for adoption, he said it is difficult to have that discussion. Commissioner Murad asked if there is a moratorium in the South of Market. He asked if this legislation is asking for any change of use to be subject to conditional use. Paul Lord replied stating that there is no moratorium that he is currently aware of in the SoMa. He said there are Planning Commission Policies which discourage what has been historically been referred to as PDR activities (production distribution and repair) from being displaced by office or housing, but no moratorium. He said there is a suggestion by Supervisor Daly to put a set of moratorium controls as sort of an interim measure on the formula retail. In as far as the second part of the question he replied stating that it pertained to Item 5 and said that all Item 4 does is to define a geography for which rules could be applied. Commissioner O'Connor thanked Mr. Meko and Mr. Lord for bringing this before the commission at this time. He said he appreciated all the work and he was in favor of this. Paul Lord explained that the legislation does call on some deliverable, the most important one being to carefully look at the residential enclaves in the neighborhood. Commissioner O'Connor made a motion to approve the creation of the Western SoMa Planning Area Special Use District as defined in the legislation presented. Commissioner Chiu seconded. The motion was unanimously approved by the Commission.

Item 5- Formula Retail Use; Public Notice - Western SoMa Planning Area Special Use District

Jim Meko stated that there are two aspects to this legislation, the first being the neighborhood notification (311 or 312 notification), and the second the formula retail aspect. He pointed to a map being held out showing all the projects currently in the pipeline, every symbol on the map representing either a commercial, residential, retail, or service/light industrial use, that is currently somewhere in the Planning pipeline, under construction or ready to be occupied. He said one need not get close to see that the South of Market area is the hottest real estate in the city right now. This is the purpose behind the proposed legislation. He explained the neighborhood notification piece by stating that it is a right enjoyed by every other residential area of the city, but due to the unique zoning in the SoMa, they don't fall under those provisions of the planning code, and said that this legislation seeks to bring South of Market along side all the other residential areas of the city. Furthermore he stated that 311 and 312 Notification simply says that one has a right to get a letter in the mail 30 days before a project goes before the Planning Commission that would change a use, and said that the uses that they are talking about are extremely specific. He said the other aspect of the 312 Notification would be if the envelope of a near by building would be substantially altered, a story added or a deck for example. Regarding the Formula Retail aspect of the legislation he said that as the reality of the Folsom Boulevard moves forward, the pressure will be far more intense for commercial uses to want to get in early, to get a piece of the pie. He explained that they are not talking about banning any sort of formula retail, or chain store use in other words, adding that all that this would do would provide a requirement that stores and retail establishments that fall within the existing guidelines that were adopted by the Board of Supervisors two years ago for formula retail, including 12 or more stores with certain patterns such as signage and uniforms, are required to go through a conditional use process. He said they are asking that the Western portion of South of Market be included as a conditional use, which again he said is primarily a notification procedure. He introduced John Elberling, who he felt would be better able to explain the need for conditional use (CU). John Elberling, a member of the

Task Force explained that formula retail comes in all sizes, from 1-2,000 square foot store fronts, to big boxes of 50-70,000 square foot retail, adding that one is able to find the full range in the SoMa, everything from Costco to smaller chains like McDonalds. He said that SoMa allows for any type of retail activity as it is currently. He said that what they wanted to do first of all was to provide notice if anything is proposed, and secondly, to require CU, which allows the Planning Commission to hold a hearing and actually set conditions on the business opening, which currently it could not do. He said that this would be for the long haul, adding that the Task Force will be looking into this issue in much more detail in the next year to really think through carefully for the sake of the city and the neighborhood what type of formula retail and non formula retail do they want to encourage in the neighborhood and in which locations. He said all this would take a lot of meetings and a lot of time, but said that in the meantime they want to get the safeguard of the CU process in place so that they can begin to address any proposals that are put forward immediately. Ed Larry, co-author of the formula retail legislation along with Peter Cohen, stated that this came out of the Hayes Valley neighborhood as a grass roots effort, stating that they fought a lot of chain stores, thus the idea of banning them was attractive all across the neighborhood, adding that they had no opposition in Hayes Valley. He said he was here to speak in favor of the legislation and regulating chain stores in the South of Market Area. He shared some key findings from studies which compared the impact on local economies of chain stores versus some locally owned and operated stores, and said the information could be found on Business Alliance for Local Living Economies' website (www.livingeconomies.org) and the Institution for Local Self Reliance (www.ilsr.org). Jazzie Collins, a member of the Task Force expressed support for the legislation, stated that as a resident of the SoMa who also works and plays there, it is important for the neighborhoods, adding that currently there is no form of public notification required in the community. She added that this is not an outright ban, but simply a notification procedure which would allow the community to participate in what goes on in their neighborhood. Paul Lord stated that this is a serious issue and said that in all of his research in preparing to work with then Supervisor Mat Gonzalez on the legislation a couple years back, he said it was very clear to him that a sound economic argument could be made that this legislation supports locally owned small businesses, which he said he believed the commission was charged in representing. Commissioner Chiu said he personally supported the concept of formula retail for all the reason described thus far, however said that the most important thing for him would be that the vast majority of folks in the area that would be affected by this are in support of it. He asked Mr. Meko if there had been any decent to this proposal and the level of it or arguments that have been brought up. Mr. Meko reiterated that the Task Force is very broadly representative group of people from the South of Market, not necessarily the group he would of chose he said, but added that they have turned out to be a group that work extremely well together. When it came down for the vote he said there were two abstentions, those being Mr. Lord from Planning and Mr. Ryan from the Transportation Authority because they had not been given instructions as to how to vote to represent their department. Other than that he said the vote was unanimous to bring forward this legislation. Commissioner Chiu asked to what degree lower income residents make up the Task Force, or do what degree have they been consulted as part of this process. Mr. Meko said that they had done extensive outreach, stating that they hold their monthly meetings generally one month at City Hall and the next month in the community. He said that to date they have had 4-5 meetings in the community in affordable housing project community rooms, adding that SRO residents are represented on the Task Force as well as non profit developers. Commissioner O'Connor stated that he appreciated the fact that this has been altered to be conditional use and not an outright ban, because he said speaking from the perspective of someone who has opened several unique small businesses and comes from a small business background, whose parents were small business owners, he admitted that sometimes certain chain stores offer affordability to lower income people, particularly families, single parents etc. He said this may not be romantic,

but it is the truth, whether people like it or not. Secondly he said that there are certain things that chain stores can offer at the anchor tenant level, which is also may not be sexy, but holds true nonetheless. He said he is not in support of the Hayes Valley ban stating that there is nothing affordable there. He said he lives a block off the strip and said he rarely goes there, adding that while his intentions are not to defend chain stores, he wanted to make these points and mention that chain stores make up 1% of San Francisco's business sector, as told to him by Supervisor Peskin. Commissioner O'Connor made a motion for the Commission to support the proposed legislation which would require 311 and 312 Notification when changing uses as stated in the legislation. Commissioner Ventura seconded. The motion was unanimously approved by the Commission.

Item 6- Amending the Police Code to Allow Pawn Brokers to Operate on Sundays and on Mondays Following a Holiday
Bill Barnes, Legislative Aide to Supervisor Fiona Ma reported that there are currently 13-15 pawn shops in San Francisco, which are regulated by the state in large part. He said that there are a lot of regulations on these establishments, but said that in the 1970's and 80's, San Francisco also placed some additional restrictions, including that they should not be allowed to operate on Sundays and on Monday's following a holiday. He said basically they are not currently allowed to operate on these days following a holiday due to antiquated language in the police code, which ought to be changed in this day in age, adding that it simply no longer makes sense. Commissioner Richardson asked what the reason was for not allowing them to operate after a holiday. Bill Barnes responded stating that typically pawnshops had limited stock after a holiday and this was the reason for it.
Commissioner O'Connor made a motion to support the proposed legislation as submitted. Commissioner Murad seconded. The motion was unanimously approved by the Commission.

Item 7 - Jobs for Youth Initiative
Andrea Small, Business Liaison, talked about Jobs for Youth, stating that their goal is to provide San Francisco employers with qualified trained employees, while offering youth the necessary experience they need. JFY works to facilitate youth employment activities within San Francisco's private sector by connecting the employer to the employee ages 14-24, serving as the one point of contact for entry-level employment needs, and providing ongoing support to employers of youth. Having said that she said she hoped that the Commission could participate and partner with JFY as advocates for their program. She encouraged the Commission to share the informational brochures with their network of businesses and business organizations, and she said she looked forward to continue to work and partner with the Commission. She provided her contact information including the website address at www.jobsforyouth.net. Director Briones Ubalde suggested that Ms. Small provide the Commission with several hundred brochures that may be included in the goody bags for the Small Business Week Kick off event at City Hall. Ms. Small agreed to deliver the brochures.
Commissioner O'Connor made a motion to partner with Jobs for Youth and support the programs of JFY by mentioning the program at the Small Business Week Kick off reception at City Hall. Commissioner Chiu seconded. The motion was unanimously approved by the Commission.

Item 8 - President's Report
Commissioner Thigpen reported on Small Business Week and encouraged folks to visit the Commissions website for additional information on the weeks activities planned. She reported that she would be created a newsletter likely to be available in June. Furthermore she reported that the African American community supports and would invite the SBC to hold their first community meeting in the Bayview. She said that she would be willing to schedule a special meeting in addition to the regular meeting if there was interest in that.

Item 9 - Vice President's Report
Commissioner O'Connor reported that the Back Street Business Task Force would be wrapping up and said that they will have a report to share. Furthermore he said that the Health Care Council has continued to meet and said that he would likely have a more detailed report at the next meeting.

Item 10 - Director's Report
Director Briones Ubalde first echoed Commissioner Thigpen's comments about Small Business Week and acknowledged all the folks who have stepped up to the plate. She invited the commissioners and the viewing public the events planned for the week of May 15-20. She also said that she would like to present a proposed work plan for 2006/2007 to the Commission at the upcoming July meeting.

Item 11 - New Business
Director Briones Ubalde requested to move the Director's Report item to the beginning of the meeting agenda, as well as the President's and Vice President's report. Commissioner Thigpen agreed with the suggestion and said that she would like to implement the change for the next meeting agenda.

Item 12 - General Public Comment
No public comment at this time.

Item 13 - Adjournment
Commissioner Chiu made a motion to adjourn. Commissioner Richardson seconded. Unanimous approval from the Commission. The meeting was adjourned at 8:05 P.M.

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SMALL BUSINESS COMMISSION
NOTICE OF MEETING & AGENDA

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Monday, June 12, 2006
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF APRIL 10TH AND MAY 8TH, 2006 MEETING MINUTES** (Action Item)

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **PRESIDENT'S REPORT:** Allows the President to report on recent small business activities and make announcements – Small Business Week updates (Discussion Item)

5. **VICE PRESIDENT'S REPORT:** Allows the Vice President to report on recent small business activities and make announcements – Back Street Business Task Force, & Health Care Task Force, and Permit Streamlining (Discussion Item)

6. **DIRECTOR'S REPORT:** Allows the Director to report on recent small business activities and make announcements (Discussion Item)

7. **INTERNATIONAL BUSINESS TASK FORCE REPORT:** Allows the Chair to report on recent Task Force activities and make announcements. Report by Commissioner Alberts (Discussion Item)

8. **SPECIAL MEETING IN THE COMMUNITY:** Discussion, possible action to schedule a special meeting of the Small Business Commission to be held in the Bayview area (Action Item)

9. **PILOT PROGRAM TO REQUIRE FOOT PATROLS IN CRIME-IMPACTED AREAS:** Presentation, discussion, and possible action on File No. 060700, Ordinance adopting Section 10A.1 of the San Francisco Administrative Code to establish a one-year pilot program requiring foot patrols in crime-impacted areas within the boundaries of Northern and Park District Stations, and require reporting and review of the effectiveness of the foot patrols. Presentation by the Office of Supervisor Ross Mirkarimi (Discussion/Action Item). Explanatory Documents: File No. 060700

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALL BUSINESS COMMISSIONERS
JORDANNA THIGPEN, PRESIDENT
MICHAEL O'CONNOR, VICE PRESIDENT
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DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

10. **LOWER HAIGHT STREET ALCOHOL RESTRICTED USE DISTRICT:** Presentation, discussion, and possible action on File No. 060537, Ordinance adding Section 784 to the Planning Code to create a Lower Haight Street Alcohol Restricted Use District prohibiting liquor establishments and providing for a three year sunset provision; amending Zoning Map Number 7SU of the City and County of San Francisco to indicate the boundaries of the Lower Haight Street Alcohol Restricted Use District, and making findings, including environmental findings and findings of consistency with the priority policies of Planning Code Section 101.1 and the General Plan. Presentation by the Office of Supervisor Ross Mirkarimi (Discussion/Action Item). Explanatory Documents: File No. 060537

11. **ESTABLISHING A SELECT COMMITTEE ON DISASTER PREPAREDNESS:** Presentation, discussion, and possible action on File No. 060703, Ordinance establishing a select committee on disaster preparedness. Presentation by the Office of Supervisor Peskin (Discussion/Action Item). Explanatory Documents: File No. 060703

12. **HEALTH WORKSITE STANDARD PROPOSAL:** Presentation, discussion, and possible action on the request for the Small Business Commission and business community to provide feedback on the proposed standards checklist. Presentation by Christina Carpenter, San Francisco Department of Public Health (Discussion/Action Item). Explanatory Documents: Shape Up at Work Standards Checklist

13. **SAN FRANCISCO COMMUNITY POWER'S "DEMAND RESERVES PARTNERSHIP":** Presentation, discussion and possible action for the Small Business Commission to partner with SF Community Power to promote the "Demand Reserves Partnership" program. Presentation by Steven Moss, Executive Director, SF Community Power (Discussion/Action Item). Explanatory Documents: Program brochure

14. **MEANINGFUL PAYROLL TAX REFORM:** Presentation, discussion, and possible action on meaningful payroll tax reform, a look at the City of Los Angeles' Evaluation of the City's Gross Receipts Business Tax. Presentation by Marc Herman, President of MBIA MuniServices Co. and staff from Controller's office (Discussion/Action Item)

15. **ORDINANCE TO ADJUST FEES FOR PLANNING DEPARTMENT SERVICES:** Presentation, discussion, and possible action on File No. 060697, Ordinance amending the San Francisco Administrative Code by amending Sections 31.22 and 31.23 to adjust fees for Planning Department services; and making environmental findings. Presentation by Elaine Forbes, Planning Department Finance Director (Discussion/Action Item). Explanatory Documents: File No. 060697

16. **ORDINANCE TO ADJUST FEES FOR PLANNING DEPARTMENT SERVICES:** Presentation, discussion, and possible action on File No. 060699, Ordinance amending the San Francisco Planning Code by amending Article 3.5 to adjust fees for Planning Department services; and making environmental findings. Presentation by Elaine Forbes, Planning Department Finance Director (Discussion/Action Item). Explanatory Documents: File No. 060699

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17. **ORDINANCE TO DELETE SOME OF THE DATA CURRENTLY REQUIRED IN THE PLANNING DEPARTMENT'S ANNUAL DOWNTOWN PLAN MONITORING REPORT:** Presentation, discussion, and possible action on File No. 060698, Ordinance amending the San Francisco Administrative Code by amending Chapter 10E to delete some of the data currently required in the Planning Department's annual Downtown Plan Monitoring report that details the effects of downtown growth, to change the date for submittal of the annual report to the Board of Supervisors, and to include data in the required five-year report. Presentation by Elaine Forbes, Planning Department Finance Director (Discussion/Action Item). Explanatory Documents: File No. 060698

18. **CHINATOWN VISITOR RETAIL ZONING CHANGES:** Presentation, discussion, and possible action on File No. 060533, Ordinance amending the San Francisco Planning Code by amending Section 811.47b of the Retail Sales and Services section of Table 811 to allow other entertainment as a principal use on the first and second stories in the Chinatown Visitor Retail Zoning District and by adding Section 811.47b to the Specific Provisions for Chinatown Visitor Retail District Table 811 noting that the other entertainment use must be in conjunction with an existing full-service restaurant; adopting findings, including environmental findings and findings of consistency with the General Plan and the Priority Policies of Planning Code Section 101.1(b). Presentation by the Office of Supervisor Peskin (Discussion/Action Item). Explanatory Documents: File No. 060533

19. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the commission (Discussion Item)

20. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

21. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

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Chemical Sensitivity

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City and County of San Francisco
Small Business Commission

June 12, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, June 12, 2006 5:30 PM

Small Business Commissioners

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

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Members Absent: None

Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, June 12, 2006 in regular session. Commissioners O'Connor and Murad were not present for the role call, but came in a few minutes late. The meeting was called to order at 5:39PM

Item 2 - Approval of the April 10, 2006 and May 8, 2006 meeting minutes
Commissioner Richardson made a motion to approve the April 10, 2006 minutes as submitted. Commissioner Ventura seconded. Unanimous approval from the commission (with the exception of Commissioners O'Connor and Murad who came in later). Commissioner Ventura made a motion to approve the May 8, 2006 minutes as submitted. Commissioner Richardson seconded. The minutes were passed with 4 yes votes. Commissioner Alberts abstained because she was not present at the May 8th meeting. Commissioners Murad and O'Connor were not yet present.

Item 3- General Public Comment
None at this time

Item 4 - President's Report
Commissioner Thigpen reported that the reports would be moved to the beginning of the meetings so that members of the public could be informed of what the Commission is working on outside the Commission. With that she stated that she attended the Business Alliance for Local Living Economies conference in Burlington Vermont and said that it was an amazing experience. She reported that there were about 500-600 people in attendance, 6 from foreign countries, all representing a great global network of people united around the idea of promoting local economies first, including shopping locally first. She reported that next year's conference would be

held at UC Berkeley and invited all to attend. She said they could get more information on their website at LivingEconomies.org. Secondly she reported on Small Business Week, and thanked all the sponsors and all the people who helped plan and staff the events.

Item 5- Vice President's Report
Commissioner O'Connor reported that ironically the three different task forces/boards that he serves on will be wrapping up at the same time. He said that he would hold off until next month to do a full report on the Back Street Business Task Force, which addresses the potential conversion of industrial spaces into residential spaces and zoning issues. As far as the Small Business Advisory Task Force that has been looking at streamlining the permitting process and mostly consisted of department heads and or their representatives, he reported that it has come to an end and that Joyce Scales a graduate student at the Goldman School of Public Policy has created and completed an synopsis of all the things the advisory board discussed and things learned from small business owners. He said that he would like to place this on the agenda for next months meeting and have Joyce come in and do a presentation to the Commission. He said that the commission could be proud of this because they have taken the first steps in proactively addressing the small business permitting process issue. Regarding the Health Access Council, which was established a few months ago and comprised of 30 to 40 members primarily from the health industry and some business and labor folks as well, including himself, he said that they have one more official meeting. He said that he left the last meeting of the council not feeling incredibly confident that there will be a very decisive proposal coming out of the council. He said that the council's goal is to attempt to create health coverage for roughly 80,000 San Franciscan's who are currently without healthcare as compared to Supervisor Ammiano's proposal which is looking to cover about 16,000 people that are without health care. He reported that the council has been reviewing the Consortium of San Francisco Clinics, nine neighborhood clinics that are partners with the Department of Public Health, to see how to better utilize them to provide health care access for those not currently receiving it. He said that the main issue facing the Council is how to fund this, stating that there are many opinions coming out of the council and said that he fears that there will not be a clear and decisive proposal to come from the Health Care Access Council, and he warned small business to be aware and concerned about this and said that in his personal opinion, there will be something on the November ballot on this issue. Commissioner Richardson asked if the council had been talking to insurance providers about lowering their costs. Commissioner O'Connor said that there had been a limited discussion of ERISA issues. Stephen Cornell, a member of the public said that the issue is about health access in San Francisco for San Franciscans. He said it is not an insurance issue and said that ERISA does not even get involved.

Item 6 - Director's Report
Director Agnes Briones Ubalde reported that on July 6th members of the Commission including Commissioner Richard Ventura would be participating in a merchant walk along with staff members of the Mayor's Office of Neighborhood Services, the Geary Boulevard Merchants Association, and Supervisor McGoldrick's office. The merchant walk is being planed for District 1, and said that the goal is to connect and hear from the merchants in the neighborhood commercial corridors personally. She said that she thought it was timely since the commission is planning to place the Bus Rapid Transit item back on the agenda for discussion. Furthermore she announced the availability of the Mayor's Office of Economic and Workforce Development's preliminary economic performance report online at www.sfeconomicstratejy.org. She reported that for July the commission hoped to schedule a presentation of this report at the regularly scheduled meeting of the Commission. She said that she would also like to have standing updates monthly on this report so to keep the small business community abreast of the findings and how to be involved. In conclusion she reported that today marks Pilipino Independence Day in San Francisco and around the world,

stating that as a Pilipino American she announced some events that would be hosted that impact what the SBC is doing in San Francisco, including the Pistahan Festival, which they would like the SBC to be part of again. She concluded stating that she would be presenting the SBC 2006/2007 work plan at the July meeting.

Item 7 - International Business Task Force Report
Commissioner Alberts reported that the launch of the Task Force was a Vietnam Banking Opportunities, which was via efforts from the Department of Commerce and the Mayor's Office, whom she thanked. She reported that it was a great event that coincided with the Small Business Week Kick-off reception, which members of the Vietnam contingency were very excited to have been invited to. She stated that the success of the Task Force really relies on providing these types of business to business opportunities, adding that this often requires extensive follow up, but could prove to be extremely fruitful for the participating businesses. She said she hopes to continue providing such opportunities via the Task Force.

Item 8 - Special Community Meeting
Commissioner Thigpen, stated that there had been some interest in holding special meetings in the community. She suggested holding these special meeting on a monthly basis and said that it would be ideal to decide as a commission which date would work. She offered the fourth Monday as a possible date for the special meetings, and said that she was open to comments. She said that the meetings would rotate throughout the city with the first meetings held in areas historically lacking economic development. She suggested the first meeting to be held in the Bayview on Monday, July 31st, if that was agreeable with the others. Commissioner Alberts stated that it is equally important for the Commission to go out into the community and discuss the things that the community wants to discuss as it is for the community to hear and be informed of what the Commission is doing and working on. For example she mentioned the Economic Plan and said that they should know about it and it may be something that they would not otherwise be exposed to. Commissioner Thigpen stated that the idea of televising the meetings was to fulfill this gap and so that everyone could have access to the Commission including those that are disabled and not able to leave their homes. Commissioner Alberts asked how the Commission would know what the community would like to discuss and asked if the Commission would be prepared to address their comments. Commissioner Thigpen responded stating that they would work this out in a preliminary meeting with members of the community, adding that there will be an agenda but said that as public servants, they should be prepared to engage in this sort of public discourse. The Secretary of the Bayview Merchants Association encouraged the Commission to contact them, stating that they would be happy to work on issues with the Commission so that they may be informed prior to the special meeting. He said that they would also be happy to help coordinate a venue for the meeting.

Item 9- Pilot Program To Require Foot Patrols In Crime-Impacted Areas
Supervisor Ross Mirkarimi stated that the motivation behind the legislation is something that he believes city wide would receive a popular response, that being that the tried and true practice of having police officers walking a beat. He said that this had been done for generations and has been something that has been a normal part of a routine of the landscape of the policing practices in San Francisco until about 20 years ago, when there was a deviation from that strategy. He said that it is his interest to do what he can to compel the Police Department and the city government to support a return to this practice. He said they have done their homework in trying to ascertain which parts of the city have police beats that are currently being walked or bicycled or both. He said that they found that there is a real inequity of foot patrols in the commercial beats. He said that in a district such as his district, District 5, it is incumbent upon him to be vying for more resources. He said this includes not only getting more dollars and resources, but improving trust between community and police, and trying to facilitate those two entities in coming

together as best they can. He said it is an awkward position for him as a supervisor to be in because it is highly irregular for someone in his post to be trying to make the two entities meet and trying to get the police to walk a beat. He reported that since took office last year, he has been meeting with the Police Chief, the command staff, and the Mayor, and he said there was no disagreement at all, stating that everyone wanted the same thing, but he said he got tired of waiting. Thus he said that what he thinks should be a city wide endeavor, it would be premature and arrogant of him to try to impel this citywide, and so he said he is offering his district as a pilot program. He said he thinks it's measured because it is a one year pilot program, and said that they laid out all the areas that are supposed to be covered within the jurisdictions that are covered by Park and Northern station, stating that these are the two stations that govern a large part of his district. He said he would rather that this legislation did not have to happen, but said that he also does not want to have to wait anymore. He said he made it very clear to the Mayor and his colleagues that he is in support as someone that sits on the Budget Committee of trying to replete the staffing shortage of officers so that the argument, which has been heard well, that being that there are not enough officers to walk the beats, stating that they will do what they can and accomplish a fair amount in getting more officers within the academy. However, he stated that even if they had the maximum number of officers needed, he feels that there is still an institutional impediment that does not inculcate the need of having beat and foot patrols. He said that just incase an impediment is that profound, he wants to make sure that it is addressed and said that this legislation is meant to help pave through and stimulate the discussion which should be a city wide practice. He said that they have contacted many mid sized cities to see if they are in sync on a track that they need to pursue. He said he is confident with his legislation and feels that the city ought to get behind it. Commissioner Thigpen acknowledged that the pilot program is just for District 5, however she pointed out that other districts near to District 5 and areas bordering these specific areas are also impacted. She asked if there were any discussions about partnering with other supervisors to address the problems that are coherent in other areas as well. Furthermore, she said that she speaks to a lot of police officers and in her conversations with them she has found out that 9.9 out of 10 times they do not live in the city. She said that in her opinion the problem with them not feeling connected to the neighborhood and vise versa, has to do with the fact that they don't live here. She said that this is a separate discussion all together, but said that it should be part of the dialogue when the city talks about community policing and foot patrols. Supervisor Mirkarimi stated that the answer is yes, but said that in order to make the legislation tight, he said that he could only speak to his district as it governs the two neighborhood stations, adding that this would be a good departure point to then segway into other districts. He agreed with Commissioner Thigpen's comments about community policing and the need to talk about this issue about having officers who are sensitized and understand the nuances within the community. He said this is the kind of reform that he is still waiting for from within the police department and from the Mayor's Office. He said that if they could require police to live in San Francisco, adding that constitutionally they are impeded from requiring it, nonetheless, he worries considerably about this from a disaster preparedness perspective. Commissioner Richardson stated that she is in District 5 and asked if there is any force that is working on the flow of guns into the community, adding that most of them are not sold legally. She asked if this was being looked into, the flow of illegal guns into the community. Supervisor Mirkarimi stated that it is foremost on his mind, but said that he did not any clear answers. He said he was disheartened to hear that the courts struck down Proposition H, and said that in light of this, it adds once again the challenge to the police department and the district attorney to be more vigorous. Commissioner O'Connor, stated that often time's small businesses are the first line of community safety, stating that they are in the neighborhoods, they witness what goes on etc. He appreciated and congratulated the legislation, adding that beat patrols have a much greater opportunity to interact with people in the community, with the small businesses and develop relationships. He stated that in his opinion streets that have interactive business owners are safer

streets, and said that coupling that with increased beat patrols, he believe they will continue to see improvements. He said that legislatively he appreciates that it is a pilot program and he is excited to see it through and hopefully see it spread throughout the city. Commissioner Ventura stated that safety is the biggest issue merchants complain about. He said he was enthusiastic about the legislation and he wondered if there are any soft deadlines with in the year of the pilot program that will look at results so that there is something to go off of when considering determinations of the effectiveness prior to completion of the year. Supervisor Mirkarimi stated that it is totally soft deadline, stating that it is predicated on the ability of the police department to hire new officers and there will be an incubation period etc. Commissioner Alberts expressed her full support of the legislation. She suggested and asked if they had considered volunteer police officers, and or retired police officers to walk the streets, adding that these are practices used in other cities. She said that in some communities volunteers are deputized to perform certain tasks. Supervisor Mirkarimi responded stating that they had considered version of the neighborhood watch staff, stating that some areas have established something of the sort, while other areas are more challenging. He said the goal is to get the community increasingly involved in its own safety. Furthermore he stated that while community benefit districts are a good thing for neighborhoods, adding that the Fillmore Jazz neighborhood is currently in the process of becoming a CBD, the services offered should complement what is already being offered and should not supplement. Commissioner Murad expressed his support for the legislation and said it is a wonderful thing when the beat officers walk the streets and get to know the merchants and the community. He asked if the police department has a short budget and thus the reason they have not been able to come through with this. Supervisor Mirkarimi said that the police department has not been required to come through yet, but said that he has been rattling cages since he came into office to get more beat and foot patrol officers on the street. He said his frustration is that it seems to be relegated to an ad-hoc status, adding that it should not be, it should be a normal stream of policing. Commissioner Richardson said she was glad that he brought up Northern Station and Park Station because she said although Northern Station is on Fillmore Street they are served by Park Station. She said that one main thing that faces their community is distrust of the police because she said most police officers are white and the black community has a long memory of abuse by police officers. She wondered how they might deal with this trust or lack thereof issue, stating that it is a huge problem. Supervisor Mirkarimi agreed that this is a problem, stating that until they resolve this issue, he believes they will continue to have a low arrest and prosecution rate of the murders in the community. Commissioner Chiu thanked Supervisor Mirkarimi for his efforts and said that as a former criminal prosecutor said that he was very aware of the numerous us studies that show that community policing really makes a difference and said that he was surprised to read the San Francisco had not fully implemented community policing. He said that he would be inclined to support a longer pilot program and additional neighborhoods if that was something that the Supervisor chose to do. He asked if the Commission could get copies of the monthly and half yearly reports that the legislation calls for.
Commissioner Chiu made a motion to support the proposed legislation. Commissioner Alberts seconded. Unanimous approval from the Commission.

Item **10- Lower Haight Street Alcohol Restricted Use District**
Supervisor Mirkarimi stated that the Lower Haight area is also an area that has been impacted by every level of crime, adding that as he looks at the many aspects of things that he is trying to challenge, he would like to propose this legislation that would ban liquor licenses on Haight between Webster and Pierce Streets. He said that he would be seeking to amend the legislation in committee to include only off-sale liquor licenses, adding that this will ensure that restaurants and bars will not be impacted by the legislation. Commissioner O'Connor stated that he appreciates the proposed amendment to the legislation and he welcomed it because he said that in some cases liquor licenses can help to economically revitalize the area, and offered

Divisadero Street as an example. Commissioner Murad asked if there would be any restrictions for off sale liquor establishments if and when they transfer their liquor licenses. Supervisor Mirkarimi said there would be no restrictions on transfer liquor licenses. Commissioner Alberts asked if there was a report that had been administered that looked into the potential impacts of the proposed legislation, specifically as it relates to the neighborhood grocery/convenience stores, and she asked how many off-sale licenses are currently issued in said area as to better understand how many small businesses may be impacted. Supervisor Mirkarimi stated that he did not have any hard evidence on it, but said that he was aware that the same antidotes helped influence Supervisor Maxwell in working with the City Attorney's Office in putting forth legislation in a similar kind of prohibition citywide and particular in the Bayview Hunters Point. He said that in the perimeter that they have identified, there are currently 9 off-sale liquor licenses, but said that these will not be affected, adding that the legislation would only affect new off-sale liquor license requests. Stephen Cornell, a member of the public stated that it would affect the existing businesses in that it will make their liquor licenses much more valuable. He said that in the future it might be good to in invite some of those folks to the commission.
Commissioner O'Connor made a motion to support the proposed legislation for an off-sale liquor license moratorium in the Lower Haight. Commissioner Richardson seconded. The motion was unanimously approved by the Commission as stated.

Item 11 - Establishing A Select Committee On Disaster Preparedness
Commissioner Thigpen stated that she chose to put this item on the agenda even though the select committee is to be comprised of Supervisors because said last year then Supervisor Ishimoto worked on the Commission's Disaster Preparedness Task Force, stating that the conclusion he came to was that the small business community is unprepared for a disaster and leads leadership from the government on how to be involved, including the possibility of becoming block captains and in providing goods and services in the event of a disaster and providing refuge, but said that they haven't been part of any efforts by OES or the Mayor's Office or by the BOS to involve them in disaster preparedness. Having said that she wished to put forth to the Commission the idea of the Commission writing a letter to Supervisor Peskin and the members of the select committee, asking them to involve small business in this discussion.
Commissioner Alberts made a motion for the Commission to write and send a letter to Supervisor Aaron Peskin and members of the Select Committee on Disaster Preparedness to request that small business are part of the discussion on disaster preparedness. Commissioner Chiu seconded. The motion was unanimously approved by the Commission.

Item 12 - Health Worksite Standard Proposal
Christina Carpenter, Health Promotion Consultant of the Department of Public Health (DPH). She stated that her focus is on chronic disease prevention. She said that much of what the Commission does closely ties into her work for the Department of Public Health. She said that recently DPH, Department of Children Youth and their Families (DCYF), Recreation and Park,, the Department of Human Resources (DHR) have been working with the Mayor's Office on his challenge to "Shape Up San Francisco". She said that one of the components of the initiative focuses on worksite wellness, thus the purpose for the presentation. She stated that the cost of employee healthcare benefits has skyrocketing for employers and employees alike, adding that there is one estimate that stated that the annual cost of physical inactivity cost city employers, including the city and city employers 1.1 billion dollars. She said that this estimate takes into account medical, workers comp and lost productivity. She said that it is linked to the universal health care debate, stating that in Michigan they passed legislation whereby companies would receive 10% back on their health plan cost if they institute a worksite wellness program. She said that they have been working with Senator Tom Torlickson's Taskforce on Youth and Workplace Wellness to

create worksite wellness guidelines, and said that they are not aware of any standards that have been adopted by any city or jurisdiction. She said that they are very excited that Mayor Newsom understands the importance of worksite wellness and that he has issued an executive order asking that city departments start having some focus on worksite wellness. She went through a quick overview of the guidelines and said that she would like to get the Commissions input and follow that up with a more in depth discussion at a later date, adding that this is a work in progress. She said that they tried to make the guidelines fairly simple and have divided them into three primary areas, including; policy and culture, Education and awareness, and access and programs. She said that they did this quite intentionally in so far that the culture that one sets within a worksite can really lay the foundation. She said that two other levels are more programmatic. She said that they tried to develop something that has specific actionable recommendations so that it's not a whole lot more work if one is interested in adopting some of them. She concluded by stating that the city is trying to practice what it is preaching by encouraging it's departments to begin to think through implementing some of the guidelines. She reminded folks that it is a work in progress and that they were very interested in getting feedback on the guidelines. Commissioner O'Connor suggested that Jean Frasier may be a good point person on the Health Access Council to connect with in terms of figuring out what will come out of the Council and how that may or may not relate to the Worksite Wellness Initiative. Commissioner Alberts asked Ms. Carpenter if she was familiar with the Health Departments Greening Program, stating that there is a sheet that is very similar to this that has to do with environmental issues and then people qualify to become a Green Business and get certified. She suggested that perhaps this is a way to bridge the gap between what the government will be doing and what small businesses do, adding that it seems to be working very well for DPH. Ms. Carpenter clarified that what she meant was perhaps recognizing employers when they are undertaking the Worksite Wellness Initiative. Commissioner Ventura asked if there was something that they should be sharing with their networks and as they go out and speaks to the community. Ms. Carpenter said that they would be most interested in this, however she said that they are not quite ready at this time, but she would follow up. Director Briones Ubalde stated that she would compile a list of recommendations from the Commission and forward them to Ms. Carpenter to help modify the checklist. She also suggested that a more complete final checklist be presented to the Commission at a later date, possibly in July. Ms. Carpenter said that they would like to move on this as quickly as possible and said that they would like to get the endorsement of the Small Business Commission if possible. Commissioner Alberts made a motion to have this item on the July agenda and reiterated the concern about costs to implement such an initiative, stating that the Commission is concerned with costs and what type of a cost would be involved for any type of program that small business would be involved in or that this recommendation would entail. Ms. Carpenter said that they could discuss this in more detail in July, but said that some recommendations will cost nothing and others will cost something, but said that since they are guidelines, the business could determine what they could do at what point.

Item 13 - San Francisco Community Power's "Demand Reserves Partnership
This item was continued.

Item 14 - Meaningful Payroll Tax Reform
Mark Herman, President of MBIA Muniservices Company stated that they were asked to share some information, good and bad, that took place during their study in Los Angeles, knowing that comparing anything to San Francisco is silly because San Francisco is very unique, adding that they look forward to working with San Francisco in the future. He said that he would just like to give the Commission some things to think about and would prefer that this meeting be a discussion rather than a presentation. He said that he liked to do things in groups of 4 or 5 because folks tend to remember things better that way. First he said is the seriousness of the methodology, stating that in order to do a truly good study, to give truly good answers

one needs to have a process, a team of experts that truly understand the community and the communities that they are working with. Furthermore he said one needs to have the correct data and do the best with the data that is available, as well as involve all the stakeholders, because he said some people will like the report and others will not, but he said that if the methodology, the team, the process and the data are sound and beyond suspect then you are in a good position to do it. In the case of LA he said that they put together a comprehensive group of stakeholders, including the Business Tax Advisory Committee, which was comprised of chamber members, stakeholders and city staff. He said that they put together a list of all the possible alternatives that one could look at for reforming the tax. He said that they then put this list through what they called ease, which was a selection criteria which you could really narrow down from a list of 30-40 potential opportunities, down to 3 or 4, adding that this was necessary in order to truly do the economic analysis and the studies because it is very time consuming otherwise. He said that their mission in LA was to be legal and revenue natural. He briefly went over the four criteria, stating that they are the economic benefit of the objective, the administer ability, or reality of it, the stability of it in terms of revenue stability and in terms of certainty of that revenue stability and also the equity. He said that they really believe that going through those four criteria will give the ability to actually get to the process. He said that when they originally did the study in LA, they were given not only the criteria of making it legal, but also to keep in revenue natural, adding that LA at the time was doing about 360 million dollars of revenue and they didn't want any tax reform to affect it. He said that as it turned out they and more importantly the City of LA decided not to take these measures to the ballot, stating that if you want to keep revenue neutrality there is going to be winners and losers, and if there's losers, somebody having to pay even a dollar more, it has to become a ballot initiative. He said that what they decided to do with the city is to reduce everybody's taxes by 3-4% a year, but more importantly to put in compliance initiatives to go along with that, adding that the law is what the law is, but people have to obey it. He said that they have had this in effect in LA for one year, adding that the figures are preliminary but said that it looks like there has been a 10% increase in revenue, even though there has been a 3% reduction in the taxes. He said that LA is going through a good economy at this point in time, and said that this might account for half of it, but offered that they really think it is the seriousness of the recommendations as well as the compliance initiatives that are causing this change. Beverly Burr reported that she has had the pleasure of authoring two tax reform studies for the City of LA, the first under the Riordan administration, which was done with a large panel of consultants, academics, and experts of all stripe, and the study that they recently completed under the Haan administration. She said that first the Commission needs to decide what lessons should be of interest to the Commission, stating that this is a unique environment and one needs to be thinking about tax reform and not just copying what has happened in another jurisdiction. She said that some of the frustrations with the most recent tax reform in LA that were being expressed by the policy makers and by the business community included the high rates, adding that there are 88 cities in Los Angeles County thus competition is key and complex. She said the complexity has to do with structuring a gross receipts tax that is equitable, while being efficient for the economy, thus the reason states have an income tax, which unfortunately as a city San Francisco does not have the option of enforcing. She said the equity concern is fundamental to a gross receipts tax, and something that was of huge frustration along with the complexity issue and the high tax issue. She went on to say that a lot of the big questions were dealt with and discussed in detail in the first study, such as who should bear the burden, business versus residents, should their be exemptions, what do the experts and academics think. She said that the first study resulted in some tax reform, including exemption for start up businesses. She said that LA like San Francisco had a combination of a payroll/gross receipts tax, but in LA the tax was predominately on gross receipts and on the margin on payroll, vise versa in San Francisco. She said that both jurisdictions have information on the alternative tax base because both were formerly taxing both, that said it was very difficult to pull

the data together for the first study, adding that it took over a year and said that it did not result in very substantive reform. With respect to the second study she said was quite different, adding that a good lesson to learn was that the policy makers had the questions at the beginning stating that they wanted it to be revenue neutral. She said that they did a number of studies, built a tax model, a big brother data base cross matching all the different tax payer data that they could get their hands and looked at what kind of revenue an alternative tax base could bring in, and had a panel of experts that were able to come out with recommendations that would be best for the city as a whole. She stated that the outcome for LA after the many studies was that they recommended a hybrid business enterprise tax, which was a combination of a net receipts tax which attempts to take out the pyramid/double taxation affect of gross receipts tax in conjunction with the square footage tax, which she said is very simple to administer, and finally small business exemptions, adding that the city has pursued a policy whereby there is a revenue trigger, stating that as long as enough revenue comes in over a certain amount then relief is granted across the board up to a cumulative 15%, adding that this year there is a 3.5% reduction. She reported that she called the CAO's office to inquire about the latest happenings, and said that they are contemplating tax study #3. The lesson she said is that it takes a long time to gather the data and then even more time to think about it. Commissioner Thigpen asked if it was true that the movie industry received a tax exemption. Ms. Burr said that this was another inequity and said that you can not put forth a serious gross receipts tax unless you have different tax rates attempting to mimic value added. She responded to the question stating that they had offered an exemption for those below $300,000 dollars in receipts, which affects only a small portion of the movie industry. Commissioner Thigpen asked about her experience with getting local state and federal agencies to share data, asking if it was a positive experience stating that she had heard that they don't like to share data. Ms. Burr responded stated that it was a good experience adding that LA needed data on the employment and payroll base of the economy, stating that LA did succeed in getting that data from the state. She said that a lot of the data that they received from the federal government was more aggregate data which was very useful to them. Mark Herman added that the city would be pleasantly surprised to find out how much data it actually has, stating that sometimes what you need is to have another set of eyes look at it from another perspective and being able to match that data to other data. He said that they don't aim for perfection, but what they aim for is for the most complete report that is needed with the processes and methodology that anyone else would do and a lot of times this means that they aim for estimates whenever there are wholes or information is lacking. Commissioner Chiu thanked the presenters for attending and asked if the net receipts tax/income tax that was proposed in LA would be legal here and whether there are ways to structure it so that it would pass legal muster. Ms. Burr said that there were several members of their team that were legal experts. Mr. Herman suggested scheduling a separate meeting with the legal experts to discuss this matter as well as the data collection issue and how to move forward with the study. Commissioner Chiu asked if there was a way to streamline the process so that it does not take several years given the work that they have done in other jurisdictions and lessons learned there. Ms. Burr believed that there was a definitely learning curve, particularly after two rounds of this in LA. She said that LA Round 2 was on an expedited schedule; however she warned that just obtaining the data could take several months and even then there are issues. Mr. Herman said that it really depends on the political muscle and the data, stating that these are the things that tend to slow things down. Commissioner Richardson asked if the motion picture industry has left LA as a result of tax reform. Ms. Burns said that some people tend to think this is the case, but said that one advantage of the gross receipts is that it does allow for opportunities to provide tax incentives to those businesses that are export businesses and drawing in activity from outside the area. Commissioner Ventura asked when the next meeting of the Revenue Coalition will be. Commissioner Chiu reported that there is a Revenue Coalition that is proposing a ballot for the November ballot to bring back a gross receipts tax which would be a three part gross receipts

tax of a .1% tax on most businesses, a .3% tax on legal and news related businesses and a 1.3% tax on real estate with a 1 million dollar exemption. He said that the Commission had sent a letter to the Revenue Coalition with recommendations on their proposed gross receipts. He happily reported that the Coalition had adopted some of those recommendations, most notably increasing the exemption from 1 to 2 million dollars and streamlining the three part structure to a two part structure. He said the proposal is still moving forward and will be introduced sometime soon but said that there would be an opportunity for continued public comment and he encouraged members of the Commission and the public who are interested to think about it and weigh in. David Sahagun, a member of the public asked Commissioner Chiu who or what is the Revenue Coalition, specifically who is a member of it. Commissioner Chiu responded stating that it is his understanding that it is a coalition of non profit organization, labor unions and other individuals who want to participate, adding that Commissioner Thigpen and himself have had some interactions with them but said that the dialogue could certainly increase and he welcomed others to engage with the Coalition on how the measure ought to look. David Sahagun said that he took offense to the fact that there is already a Revenue Coalition that has something that they want to bring to the voters that would in effect be an additional tax on businesses without having input from the businesses. He said that the Commission should get involved and say that this is a slap in the face for the Revenue Coalition to go this far without having business input, stating that it is offensive to the business community which the Commission represents. He added that it is taxation without representation and should not be tolerated. He added that he enjoyed the presentation stating that he is for getting rid of the payroll tax, stating that it is a disincentive for employment and it is bad for San Francisco. He said that the largest employers do not pay it, including the government and financial institutions and insurance agencies. He agreed with the summation that it takes time to get proper data and to think through it and involve all stakeholders and then take it out to the neighborhoods and enlighten them because they are often too busy working on their businesses, save their businesses from going under. He encouraged the Commission to continue to fight for small business and against any proposal that will not be revenue neutral. Stephen Cornell stated that he too enjoyed the presentation and said that the idea that a Revenue Coalition that has no business representatives on it will come up with something is like having a tax reform just done by business, adding that it doesn't make sense and it would not be fair. Commissioner Thigpen suggested placing this item on the July agenda and invite the Controller's Office and the Treasure's Office, and said that in the meantime folks that may want to meet with the Commission could do so through staff by phone or in person. Mr. Herman said he was honored to present and offered to help the Commission in any way.

Item 15 & 16- Ordinance To Adjust Fees for Planning Department Services
Alicia JohnBaptiste, Chief Administrative Officer reported on the proposed changes to the Planning Departments Fee Structure, stating that on May 23rd Supervisor Peskin introduced Legislation that would adjust the departments fees that was based on an analysis that they undertook over the course of 12 months with an outside consultant (Public Resources Management Group) to do an analysis of the cost of providing each of the over a hundred and eighty services that the department provides and to compare those cost relative to what the department is currently charging in terms of fees. She said that the legislation implements the findings of that study as well as the policy guidelines and recommendations that staff received from the Planning Commission. In terms of findings she said that there were three major findings from the study, the first being that overall the department is under recovering in fees, so the costs are exceeding what they are recovering for their services. She said that in some specific areas the department is over recovering for fee types and needs to reduce its fees and finally that currently the department is not charging for all of the different types of fees that it could charge for. She said that they spent a considerable amount of time working with the consultants looking at direct costs and indirect costs, both budgeted and not budgeted, adding that in terms of the direct

costs, it included labor, materials and supplies, professional services etc. Indirect costs include things such as department administration, city wide overhead and support they receive from other city departments. She said that they then looked at each specific fee type, for example the average cost for processing a variance application is $2,691 and they are currently collecting $2,650. She said that they did this for each of the 180 services that the department provides. She said that the policy guidance that they received from the Commission was first to set the fees at cost recover with a couple of exception areas for historic preservation and public access activities for which the Commission wanted to allow for subsidies so that the department would absorb some of the costs in order to encourage folks to come in with these types of applications. She said that the Commission also requested that the department begin to recover some of its long range planning cost. She said that the proposed fee structure institutes a mechanism for the department to begin some of that recovery and up to 40% of the total costs for the long range planning program. She said that they provided to the Commission handouts showing detailed fee adjustments, including among others: implementing two fees for zoning administrator letters, one for a letter of zoning conformance and another for a letter of determination, which is more involved; two different project review fee types, one $300 subsidized fee for 1 -2 unit residential and for all affordable housing project review, and $710 for all other types of project review; fee ranges for certificate of appropriateness and variances to better define minor construction, stating that what they mean is that when the variable fees were first established they were based on construction value and said that because the economy has changed and it now may cost twice as much to do some construction than it did 10 years ago they have adjusted the lower end of the fee structure accordingly. She said that the fee schedule also changes variable fees to fixed fees, stating that for certain fee types looking at construction value is not a good indicator of the amount of staff effort that is required to process an application and said that in those situations they have adjusted the fee so that it becomes a fixed fee. Finally she said they are proposing a $700 fee for no value conditional use applications such as outdoor seating. She said that the fee structure also implements an appeals fee stating that the department doesn't currently collect an appeal fee for many of their appeals types, stating that these do require significant amount of staff time spent. This fee is being proposed at $400 across the board for appellants filing appeals with the exception of appeals to the Board of Appeals which the department is proposing a $200 fee primarily because the cost structure does not support charging a $400 fee. Consistent with that she said that the department is also proposing a fee of $400 for an appellant filing discretionary review, stating that it doubles the existing fee of $200 and the department is proposing a lower building permit surcharge for discretionary review from $91 to $70, although she said they are proposing to apply that surcharge across more application types. She reported that the Board is considering the legislation at this time and said that it will be before the Budget and Finance Committee for review on June 28th, adding that if the legislation is approved the fees would be affective September 1, 2006. Commissioner Thigpen asked about the sidewalk seating permit that she referenced, adding that she believed that it was administered by the Department of Public Works. Ms. JohnBabtiste said that departments have different jurisdictional responsibilities and said that in order to have out door seating for certain types of institutions; the Planning Department does require an application, stating that it is a conditional use fee. Commissioner Thigpen asked that this is a very big issue for small businesses because they make a lot of their money from outdoor seating. Commissioner Ventura said that there are six changes that have been increased 800% to almost 27,000%, stating that these are pretty significant increases, asking if there is a way to increase those fees over a period of time versus all at once. He referenced page 2. Ms. JohnBabtiste said that she understood those concerns, but said that the majority of those are applications types that rarely come through the department, or they are fees where the actual dollar value difference is fairly insignificant. Commissioner O'Connor asked for an example of a job that would fall under this type of application. Ms. JohnBabtiste responded that these are for

buildings downtown that have very specific historic preservation guidelines in the downtown area, such as landmark buildings, adding that they do not have record of this fee being charged in recent history, stating that part of what they are doing is cleaning up the code. Commissioner Alberts asked how San Francisco's fees compare with those of other cities. Ms. JohnBabtiste responded stating that this information was of importance to them as well and said that it was difficult for them to get good benchmarking information because many jurisdictions have their planning and building inspection functions combined and some jurisdictions will base their fees on square footage instead of construction value so there is not a huge amount of consistency, nevertheless she said that the proposed fee structure is well within the range of reasonableness. Commissioner Murad asked who requested the fee study and he asked for clarification on the appeal of the EIR. Ms. JohnBabtiste said that the initial impetus for the fee study was the Controller's Office and said that appeals fees for EIR are currently collected by the BOS at a fee of $200, stating that the proposal calls for Planning to collect a $200 fee in which the overall fee increases 100% for the appellant. Commissioner Murad stated that in other cases the fees have increase 1500% and suggested that perhaps this fee be increased to that amounts, adding that in most cases the appellant is the one causing delays and stop million dollar projects from going forward with merely a $400 fee, adding that when there is a group of people getting together to appeal they can certainly pay upwards of $20 a piece to appeal a project. Commissioner Thigpen suggested that there be more equity from the standpoint of the business owner who is choosing to invest in his/her community and is subject to the whim of a $400 fee which is really not quite significant. Thus she recommended that this fee be increased. Furthermore she recommended that the solar over the counter permit referenced under building permit be free of charge, adding that they really wish to encourage alternative energy technology in the city and said that it should be paramount goal. Commissioner O'Connor asked if the fee structure had been reviewed considerably at the Planning Commission and commented on the length of time that it takes for planners to review certain projects. He wondered if more staff would be hired given the significant fee increases. Finally he asked what the total increase in revenue as a result of these fee increases would be to the department. Ms. JohnBabtiste said that his concern is widespread in the public but also in the department and said that the leadership within the department has taken this very seriously and said that in the last 18 months they have kicked off a number of initiatives to improve efficiency and effectiveness, adding that they completed 60 personnel transactions which means that they have 45 more people in the department than a year ago and hope to see marked improvements in roughly 6 months. She stated that the increase on an annual basis is 4.8 million. Commissioner Ventura asked about page 2 Article 11, stating that she had mentioned that there had been zero applications for that, but wondered about the following two items, inside and outside historic districts, in terms of application. Ms. JohnBabtiste responded that it was likely zero or close to zero. Commissioner Richardson said that there are so many small restaurants on Fillmore Street and not many good days to eat al fresco; she asked if these restaurants have to pay the $700 annual fee for outdoor seating. Ms. JohnBabtiste stated that the $700 fee is only for residential not in neighborhood commercial districts. Stephen Cornell a member of the public asked if similar to affordable housing having a different fee than other things, he wondered if nonprofit buildings also have a different fee schedule. He said that the idea to subsidize for affordable housing is like taxation in his idea, stating that the department is making a decision and he said that that ought to go to the voters because fee for service is fee for service, adding that it ought to be equal. Director Briones Ubalde asked about the timeline. Ms. JohnBabtiste said that it will go to the Budget and Finance Committee on June 28th and then forwarded to the full Board after that, adding that they expect that the fees will be heard with the budget, stating that theoretically the budget will be heard July 25th and the fee structure would be approved at the same time. Commissioner Murad asked if the department was comfortable with what they came up with and asked how long they had worked on it. Ms. JohnBabtiste said that they are very comfortable with it and

said that they worked on it for 14 months with a number of very qualified outside individuals and staff. Commissioner O'Connor asked what the vote was at the Planning Commission. Ms. JohnBabtiste said it was a unanimous vote in support of the fee structure. Commissioner Chiu asked if the fees just covered the cost, or if they were more than the cost to the Planning Department for doing the work. Ms. JohnBabtiste said that the fees cover the costs.
Commissioner O'Connor made a motion to approve the proposed legislation. Commissioner Chiu seconded. The motion did not carry. Commissioners Chiu and O'Connor voted yes; Commissioner Ventura voted no; and Commissioners Alberts, Murad and Richardson abstained.

Item 17 - Ordinance To Delete Some Of The Data Currently Required In The Planning Department's Annual Downtown Plan Monitoring Report
Elaine Forbes, Planning Department Finance Director stated the amendment to Chapter 10E of the Downtown Monitoring Plan simply corrects data availability issues, the timing in which data is available and corrects the name of the housing transit link program, which currently in the code is outdated. She said that Supervisor Peskin submitted the amendment at the Department's request and said that it was truly cleanup legislation. She said that the monitoring plan is set for them to look at the effectiveness of the land use controls in the Downtown Plan in terms of whether the housing and transit availability is keeping pace with development in the C3. Commissioner Chiu asked for clarification on the comment on the deleting of data. Ms. Forbes responded stating that as an example currently the code requires the department to provide a carbon count of downtown oriented travel and said that there is no such availability, adding that they are replacing it with what they do provide in the report, which is a long term analysis of long term policy indicators such as a TDR program etc. Also she said that the current legislation requires that they provide transit capacity in the downtown stating that there is no such data available adding that they can provide rider ship, reporting that they are updating the code to indicate exactly what they are reporting on.
Commissioner Ventura made a motion to support the proposed legislation. Commissioner Alberts seconded. The motion passed with 6 yes votes. Commissioner O'Connor abstained.

Item 18 - Chinatown Visitor Retail Zoning Changes
Item continued

Item 19 - New Business
Commissioner Thigpen requested to place on the agenda for the following month the following items: Health Guidelines, Meaningful Payroll Tax Reform, and the Economic Strategy Plan. Commissioner Ventura requested to have the Department of the Environment (DOE) report to the Commission on the number of businesses outreached to on their various programs such as energy saving programs and other such programs for small businesses. Commissioner Alberts requested an update from staff on the West Portal Survey. Commissioner O'Connor requested to have a discussion of on street fairs, particularly because there have been some issues with the recent Haight Street Fair and the upcoming North Beach Fair, adding that it would be good to invite folks from the affected areas to testify and examine some of the issues. He also requested to have someone more informed than he to speak to the Health Access Council and proposed Plan. Commissioner Thigpen requested to place on the July agenda a presentation and discussion of the Bus Rapid Transit (BRT) study on Geary Boulevard. She requested to invite David Heller of the Geary Blvd. Merchants and folks from the CTA. Furthermore she said that she was working on a local food campaign to encouraging the business community to purchase from local producers and farmers.

Item 20 - General Public Comment

No public comment at this time.

Item 21 - Adjournment
Commissioner Richardson made a motion to adjourn. Commissioner O'Connor seconded. Unanimous approval from the Commission. The meeting was adjourned at 8:45 P.M.

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SMALL BUSINESS COMMISSION
NOTICE OF MEETING & AGENDA

Monday, July 10, 2006
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF JUNE 12, 2006 MEETING MINUTES** (Action Item)

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **PRESIDENT'S REPORT:** Allows the President to report on recent small business activities and make announcements – Small Business Week updates (Discussion Item)

5. **VICE PRESIDENT'S REPORT:** Allows the Vice President to report on recent small business activities and make announcements – Back Street Business Task Force, & Health Care Task Force, and Permit Streamlining (Discussion Item)

6. **DIRECTOR'S REPORT:** Allows the Director to report on recent small business activities and make announcements (Discussion Item)

7. **SAN FRANCISCO ECONOMIC STRATEGY:** Presentation on San Francisco's Economic Strategy Plan. Jennifer Entine-Matz, Deputy Director of Business Affairs, Mayor's Office of Economic and Workforce Development (Discussion/Action Item)

8. **STREAMLINING THE PERMIT/AUTHORIZING PROCESS FOR SMALL BUSINESS:** Presentation of report recommendations conducted by Goldman School of Public Policy on improving the Small Business Experience of the San Francisco permitting/licensing process. Presentation by Director Agnes Briones Ubalde and Commissioner Michael O'Connor (Discussion/Action Item)

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALL BUSINESS COMMISSIONERS
JORDANNA THIGPEN, PRESIDENT
MICHAEL O'CONNOR, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

9. **PARKING TAX COLLECTION AND CONSUMER PROTECTION:** Presentation, discussion and possible action on File No. 060892, Ordinance adding Article 22 to the Business and Tax Regulations Code, amending Articles 6 and 9 of the Business and Tax Regulations Code, and repealing Article 49 of the Police Code, to establish revenue control equipment functionality and business practices requirements for purposes of Parking Tax collection and consumer protection, to establish penalties for violation, to require that parking garage and lot operators certify concurrent with payment of Parking Taxes their use of revenue control equipment that meets those requirements, and establishing a limited Parking Tax amnesty program. Presentation by the Office of Supervisor Jake McGoldrick (Discussion/Action Item). Explanatory Documents: File No. 060892

10. **GROSS RECIEPTS TAX:** Presentation, discussion, and possible action on File No. 060851, Ordinance amending the Business and Tax Regulations Code to: (1) enact a new Article 12-A-1 (Gross Receipts Tax Ordinance), Sections 951 through 958, to impose a gross receipts tax on persons engaging in business activities in San Francisco; (2) amend Article 12 (Business Registration Ordinance to conform business registration requirements with the enactment of Article 12-A-1 (Gross Receipts Tax Ordinance); and (3) amend Article 6 (Common Administrative Provisions) to conform them with the enactment of Article 12-A-1 (Gross Receipts Tax Ordinance). Presentation by David Noyola, Legislative Aid to Supervisor Aaron Peskin (Discussion/Action Item). Explanatory Documents: File No. 060851

11. **FOOD SERVICE WASTE REDUCTION ORDINANCE:** Presentation, discussion, and possible action on File No. 060944, Ordinance adding Chapter 16 to the Environment Code to prohibit the use of polystyrene foam disposable food service ware and require the use of biodegradable or compostable disposable food service ware by restaurants, retail food vendors, City departments and the Ci8ty's contractors and lessees unless there is no affordable alternative and to provide for penalties for violation; and amending the Health Code by repealing Sections 469 through 469.10 which bans the use of food packaging and plastic food service ware made with chlorofluorocarbons and which is now void by its terms. Presentation by David Noyola, Legislative Aide to Supervisor Aaron Peskin (Discussion/Action Item). Explanatory Documents: File No. 060944

12. **RESTRICTING POSTING OF SIGNS ON CITY-OWNED LAMP POSTS OR UTILITY POLES:** Presentation, discussion, and possible action on File No. 060853, Ordinance amending Article 5.6 of the San Francisco Public Works Code to increase restrictions governing signs on City-owned lamp posts and utility posts located on commercial streets. Presentation by David Noyola, Legislative Aide to Supervisor Aaron Peskin (Discussion/Action Item). Explanatory Documents: File No. 060853

13. **FILLMORE JAZZ DISTRICT COMMUNITY BENEFIT DISTRICT:** Presentation, discussion, and possible action on File No. 060858, Resolution of Intention to form the Fillmore Jazz District Community Benefit District. Presentation by Lisa Pagan of the Mayor's Office of Economic and Workforce Development (Discussion/Action Item). Explanatory Documents: File No. 060858

14. **CENTRAL MARKET COMMUNITY BENEFIT DISTRICT:** Presentation, discussion and possible action on File No. 060860, Resolution of Intention to form the Central Market Community Benefit District. Presentation by Lisa Pagan of the Mayor's Office of Economic and Workforce Development (Discussion/Action Item). Explanatory Documents: File No. 060860

15. **PROPOSITION J CONTRACT/CERTIFICATION OF SPECIFIED CONTRACTED-OUT SERVICES PREVIOUSLY APPROVED:** Presentation, discussion, and possible action on File No. 060786, Resolution concurring with the Controller's certification that services previously approved under Proposition J can be performed by private contractor for a lower cost than similar work performed by City and County employees, for the following services: central shops security, convention facilities management, janitorial and security services (Admin Services); budget analyst (Board of Supervisors); security services (Public Works); community services (District Attorney); body removal services (Medical Examiner); Project S.A.F.E. (Police); and jail food services (Sheriff). Presentation by Wade Crowfoot of Mayor Newsom's Office (Discussion/Action Item). Explanatory Documents: File No. 060786

16. **SAN FRANCISCO HEALTH CARE ACCESS PROGRAM:** Presentation, discussion, and possible action on File No. 060893, Ordinance amending the San Francisco Administrative Code by adding Chapter 19, Sections 19.1 through 19.10, to create a pilot public program to provide a set of comprehensive health benefits for uninsured San Franciscans. Presentation by Wade Crowfoot of Mayor Newsom's Office (Discussion/Action Item). Explanatory Documents: File No. 060699

17. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the commission (Discussion Item)

18. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

19. **ADJOURNMENT: (Action Item)**

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SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134

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Know Your Rights Under the Sunshine Ordinance

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Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

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City and County of San Francisco
Small Business Commission

July 10, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, July 10, 2006 5:30 PM

Small Business Commissioners

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

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Members Absent: Commissioner Richardson

Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, July 10, 2006 in regular session. Commissioner Richardson was absent and Commissioner Chiu arrived at 5:45PM. The meeting was called to order at 5:37PM

Item 2 - Approval of the June 12, 2006 meeting minutes
This item was tabled.

Item 3- General Public Comment
Scott Hauge of San Francisco Small Business Advocates provided some details of the small business study which he commissioned Kent Sims to do, stating that it was done during the recession years between 2000 and 2004. He reported that the study showed that San Francisco because of small businesses actually added more businesses due to small businesses, conversely to larger businesses. He reported that the numbers are showing that there are a total of 111,674 small businesses, adding that a large number of that is sole proprietors with no employees. He said that 99% of private businesses are small businesses in San Francisco, and that 55% of the private sector workforce is small businesses, with a payroll of 14.4 billion dollars, adding that the study defines small business as 100 or less employees. He said that clearly small business is the backbone and said that they would be reporting on the other findings in due time. I. Lee Murphy-Reed, representing the National Coalition of Black Women Business Owners invited the Commissioners to their annual Gold Tournament at the Presidio on August 14th to benefit a number of schools that they have adopted. She said more information would be forthcoming.

Item 4 - President's Report

Commissioner Thigpen reported on the proposed community meeting in the Bayview, which is scheduled for July 31, 2006 and said that the next one would be focused around the Chinatown and Tenderloin neighborhoods in August sometime. She proposed August 21st as a possible date. She said that they have to combine neighborhoods, adding that while she understands that each neighborhood has it's own issues, they have decided to group neighborhoods by geography because there are simply too many and it would therefore take years to visit all.

Item 5- Vice President's Report
Commissioner O'Connor refrained from reporting at this time and until the discussion on the Health Plan was called.

Item 6 - Director's Report
Director Agnes Briones Ubalde presented the Commission with a work plan for fiscal year 2006/2007, which outlines the goals for the Commission based on their feedback and per the previous commission retreat. She briefly listed some of the goals including to increase the number of policy reviewed by the Commission and to enhance the city's presence and as a global epicenter to grow and locate small businesses. She also reported that staff is working closely with the Mayor's Office of Economic Development to redesign and better market the combined departments both online and through print materials.

Item 7 - San Francisco Economic Strategy
Jennifer Entine Matz of the Mayor's Office of Economic & Workforce Development stated that she is charged with coordinating the Economic Development Plan and working with Ted Eagan of ICF Consulting and Leslie Parks and others. She said she would like to talk through the first report which is an economic performance report that lays some of the fundamentals and ground work for the work that they will be doing over the next six months in identifying key industries that the city should be focused on developing in order to grow the economy. Having said that she said that in November 2004 voters passed Prop I, which authorized the creation of an Economic Development Plan. She said that per the legislation there is a very specific mandate, which is to address employment tax revenue and priority industries, the education and skills required to increase job opportunities in these industries, specifically strategies to protect and enhance small business and an assessment of the impediments to growth and employment in these strategies and a look at best practices. She said that the report today will summarize trends in population, employment and wage trends, small businesses, income inequality and poverty in San Francisco, and a profile of the workforce education and earnings. She said that what they have been doing is asking various stakeholders what they believe ought to be the goals of the strategy. She said there is a website, www.sfeconomicstrategy.org and on it there is a web based community survey, adding that all the documents and reports are there including Spanish and Chinese translations of the executive summaries of the reports. She reported that the next stage is what to do next, for example, what industries they should be focusing on and what do these industries need to be successful in San Francisco and more importantly, what could city government do to help create a supportive operating environment. She continued by looking at population trends, stating that it has increased pretty consistently since the 1980's until recently when there has been a considerable shift and the city has lost about 30 thousand people in only the past 4 years. She said that population by race is interesting; stating that everyone knows that San Francisco is a very diverse city, but added that in fact there is no majority. She said that if you lived in San Francisco in 1992 there is a 55% chance that you have left the city. With respect to Employment and Economics, she reported that there is a 5% unemployment rate, which mirrors pre and post dot com boom. She reported that salaries have risen quite rapidly, and said that wages only increased in some sectors not all. She said that the rising importance of small businesses is similar to what Mr. Hauge has already shared, stating that most of the jobs being created are from the small business sector. She continued reporting

on some of the other data including transportation trends, workforce, and education. She said that they have been asking people what San Francisco should focus on given the data being collected. She said that in the next 3-4 weeks they would have broad categories of industries identified and said that she would be happy to come back to present those at that time. Commissioner Thigpen asked what coordination is occurring with other cities such as San Jose, stating that it seems that there should be more coordination especially in terms of transportation. Ms. Entine Matz responded stating that while they have looked at this to a certain extent, they do plan to develop it more. Commissioner Thigpen asked what the plans to coordinate with other departments are. Ms. Entine Matz stated that there is currently an interdepartmental working group with representatives from city departments that will be impacted by the plan, and that the consultants would be doing interviews with these representatives to get their input/feedback on the plan and data collected thus far.

Item 8 - Streamlining the Permit/Authorizing Process for Small Business
This item was tabled.

Item 9- Parking Tax Collection and Consumer Protection
Betty Chan, Legislative Aid to Supervisor Jake McGoldrick stated that the proposed legislation stipulates that parking lot regulators must use revenue control equipment, stating that there is currently no parking lot enforcement. She said that the legislation calls for citywide survey of locations, adding that there is a small parking lot exemption. She said the benefits are that the city would get more revenue and there would be more consumer protections. She said that the parking tax will go toward the general fund. Commissioner Ventura asked how the enforcement of this would be paid for and he questioned if this would create extra burdens on the department. Betty Chan said that they hope that the extra revenue would make up for it, adding that the MTA has offered to offset some of the costs. David Augustine of the Treasure's Office added that this is one of a series of upgrades that they plan to undertake.
Commissioner Ventura made a motion to support the proposed legislation. Commissioner Chiu seconded. Unanimous approval from the Commission.

Item 10- Gross Receipts Tax
Supervisor Peskin provided a brief background on the gross receipts tax and how and why it was sunset years back. He said that since then there has been interest in sun setting the payroll tax and returning to the gross receipts tax. He said that the delta between what the gross receipts and payroll tax raised and what the city raised is some 21 million dollars and that was exacerbated by some aspects of the settlement that bring that to 32 million dollars. He reminded folks of Mayor Newsom's failed attempt to recoup some of that money with Prop. K, which was defeated at the polls in 2004. He added that the Controller predicts a 172 million dollar shortfall for the next fiscal year beginning July 1 of 2007 and said that he believes that the largest businesses in the city have had a tax reduced holiday now for the last 4 years since the sun setting of the gross receipts tax. He said that while it is his desire to recoup those dollars as well, it is not his intention to collect it from small businesses. He said that his proposal is different than Prop. K in that it has a 2 million dollar threshold as opposed to a 4 million dollar threshold and said he was open for comments and suggestions. Commissioner Thigpen thanked Supervisor Peskin for bringing this to the Commission and for coming in person. She said that the problem is that the proposal would be in addition to the existing payroll tax and said that there is nor mention of reforming the payroll tax and asked why the initiative did not take this into account. She asked why the proposed initiative does not take this into account. Supervisor Peskin said that the reason is that the city currently does not have the level of information to do this, adding that the city lacks the data. Commissioner Thigpen asked if the next time that a tax reform issue could be brought forth to the electorate would be in 2 years. Supervisor Peskin said that was correct.

David Augustine of the Treasure's Office confirmed that the city did not have good data on gross receipts, stating that the data that they do have is seven years old, adding that about 20% of businesses go in and out of business every year, adding that it is not a good subset. Commissioner Murad asked if the 2 million dollar exemption would require businesses to pay on anything over the 2 million, or including the 2 million if they are over that amount, adding that it would be more equitable to only tax on the amount over 2 million. Supervisor Peskin said that he believed that it would be only on anything over 2 million. Commissioner Alberts asked if the 2 million dollar exemption applied to only businesses gross receipts in San Francisco, so that if a business had other businesses outside of San Francisco, those revenues would not be counted in the 2 million dollars. Supervisor Peskin said that this was correct, only San Francisco businesses would count. Commissioner Ventura stated that the Federal definition of small business is 2.5 million dollars or higher and asked if the Supervisor might consider amending the legislation so that businesses with revenues of 2.5 or lower would be exempt. Commissioner Chiu agreed with Commissioner Ventura's suggestion. He also asked about the data collection, wondering when and how the data might be collected. He also asked if an ordinance might help push this data collection forward. Supervisor Peskin said that this discussion is on going and said that perhaps the suggestion of an ordinance to require the reporting of gross receipts would help in this process. Commissioner O'Connor asked for clarification of the pass through. Scott Hauge, a member of the public thanked Supervisor Peskin for personally coming to the Small Business Commission and for taking this item off the ballot. He asked if a business in San Francisco does business with businesses outside of San Francisco but it all comes through San Francisco how would that be taxed. Supervisor Peskin said that it would be taxed. Scott Hauge said that the pass through is a terrific idea and it makes sense. He suggested expanding the pass through for certain industries, specifically those that have a high cost of products, such as gasoline stations for example. Stephen Cornell, a member of the public also thanked the Supervisor for his presence and presentation. With respect to the data collection he asked if the Treasure's Office could not simply add a line to the payroll tax return where folks could report their gross receipts and said at least it will give the city some data. Furthermore he said that his business with 12 employees pays payroll tax and under this proposal would also pay the gross receipts tax and said that there are many businesses like his that would be subject to both. David Augustine responded stating that it is something that the Treasure's Office could explore, but said that there may be some concerns because while they function well as a tax collector, they function less well as a census bureau, adding that there would be some question as to what to do with those that do not report. Commissioner Thigpen suggested the need for a consultant to collect the data.
Commissioner Chiu made a motion to support the concept of collecting data. Commissioner Murad seconded. The motion was unanimously approved by the Commission as stated.

Item 11 - Food Service Waste Reduction Ordinance
Supervisor Peskin stated that the proposed ordinance would add a chapter to the environmental code that would require businesses (restaurants) whenever possible to use alternatives to polystyrene foam. He said that there would also be language in there that would allow for a waiver if there are no alternatives that are affordable. He said that currently if it moves forward as planned it will take effect January of 2007. He reported that the Golden Gate Restaurant
Association is in support of this, adding that the ordinance does not ban plastics. Commissioner Thigpen asked what kind of research had and will be done on this, specifically in Chinatown. Supervisor Peskin said that the legislation has been relatively well received in Chinatown and said that there will be additional education campaigns by both DPH and DOE after it passes.
Commissioner Ventura made a motion to support the ordinance. Commissioner Murad seconded. The motion was unanimously approved by the Commission.

Item 12 - Restricting Posting of Signs on City-Owned Lamp Posts or Utility
David Noyola, Legislative Aid to Supervisor Aaron Peskin said that the proposed ordinance would restrict the posting of signs on city owned lamp posts and utility post. He said that the majority of the signs are political campaign bills, and said that it would apply to the larger signs only. Commissioner Thigpen speaking from personal experience she felt that it does create blight for the city. She expressed her concern with the fact that while the legislation lists the height limit of 12 inches, it does not mention width. Furthermore she said that while the legislation mentions the required registration of signs at the Department of Public Works, candidates can actually go down to DPW and get a registration number and not be affected for the upcoming election. Commissioner Chiu said that he believes it is a good measure because he does believe that neighborhoods get crowded by all these large signs, and said that the idea is for neighborhoods to look clean and not overcrowded and will bill boards. Stephen Cornell said that he is aware that there are about five owners of polls in the city, including the city, Caltrans, PG&E and others. He wondered how this ordinance would affect those non city owned poles and suggested that this apply to all poles.
Commissioner Alberts made a motion to approve the ordinance. Commissioner Chiu seconded the motion with the following amendments: that the width issue be addressed and clarified, that the pole issue be addressed and clarified to include all poles, and the issue of the potential retroactivity for this particular election cycle. Commissioner Alberts accepted the amendments. The motion passed with 4 votes. Commissioner's Alberts, Chiu, Murad and Thigpen voted in favor. Commissioner O'Connor voted against. Commissioner Ventura abstained.

Item 13 - Fillmore Jazz District Community Benefit District (CBD)
Lisa Pagan reported that there are roughly 170 businesses in the proposed district, stating that they would all receive notices about the proposed creation of a CBD. She said that there would be a public meeting in August and the ballots from the election would be counted. She said that the Board of Supervisors would then decide based on the results of the vote to create the CBD or not. Commissioner Thigpen asked how this would be affected with the exit of the Redevelopment Agency. Lisa Pagan said that it would not impact the CBD, adding that the Redevelopment Agency serves a much broader area. Commissioner O'Connor asked what services or benefits did the Fillmore choose to implement in their CBD provided it passes. Lisa Pagan responded stating that they opted for the typical, sidewalk improvements and beautification, including streetscape improvements, banners, marketing and promotions, and security.
Commissioner Ventura made a motion to approve the resolution that would allow the creation of a Fillmore Jazz District CBD to move forward. Commissioner Chiu seconded. The motion was unanimously approved by the Commission.

Item 14 - Central Market Community Benefit District
Lisa Pagan of the Mayor's Office of Economic and Workforce Development stated that this was also heard in committee, but said that Supervisor Daly had requested that the steering committee go back to the community and have more dialogue with the community. She said he had continued it until August 15th. She said that the boundaries included Market Street from 5th to 9th Street and some of 5th Street from Jessie to Mission Streets. She said that this district is also interested in streetscape and security. Commissioner Thigpen asked what happens when it comes to city property, stating that there seems to be some within the boundaries of the proposed CBD. Lisa Pagan responded stating that last year the Board of Supervisors passed a resolution to have the Mayor vote in the affirmative on behalf of any city property, and said that this would occur on a CBD basis, adding that federal property is usually exempt.
Commissioner Chiu made a motion to approve the legislation, adding that he personally supported it as a former business of that area that left because of the adverse working environment. Commissioner Ventura seconded. Unanimous

approval from the Commission.

Item 15- Proposition J Contract/Certification of Specified Contracted-Out Services Previously Approved
Lane Kasselman of the Mayor's Policy Office reported that Prop J was passed in 1976 and this resolution allows the city to contract with private contractors if it is less expensive than similar work performed by City and County employees. He said the legislation before the Commission are all existing contracts and said that were submitted as part of the Mayors 2007 budget, adding that they are all non controversial contracts and have been in place for many years. He said that they have all been certified by the Controller's Office as producing cost savings.
Commissioner O'Connor made a motion to approve the proposed resolution. Commissioner Alberts seconded. Unanimous approval from the Commission.

Item 16 - San Francisco Health Care Access Plan (HAP)
Mitch Katz Director of the Department of Public Health reported on the proposed Health Access Program, stating that the consensus is that health insurance should be available to all San Franciscans, stating that they were asking the wrong question, adding that the question should be could we provide some type of health care. He said that the answer is yes. He said the Health Access Plan, or the HAP as it has come to be known, is a program that provides a medical doctor to everyone. He said it is not a comprehensive benefit's package in that there is no eye and no dental included and said that there is no coverage outside of San Francisco. He said that all these things combined lower the cost. He said it is not an insurance product, adding that it is one way to keep the prices down. He reported that 54% of the 82 thousand uninsured are employed. He said that Supervisor Ammiano's legislation would require folks to pay for the plan, adding that employees with less than 100 employees would be required to pay 1.06 per hour per employee and for those with over 100 employees; employers would pay $1.60 per hour per employee. He said that this legislation would provide 30 million to help fund the HAP. He said that the total amount of the program is $198 million dollars, stating that they have calculated that the city is currently spending 104 million dollars, which it would continue to fund. Commissioner O'Connor commended Dr. Katz for all of his work on the HAP and with the Council. He said he was hopeful that the city could resolve the funding piece of the legislation because he believes it is a great vision. Commissioner Murad asked if Ammiano's legislation states that employers with 20 or more employees will be subject to this. Dr. Katz said that this is correct. He said that the HAP is inclusive for all regardless of employment and said that negotiations are ongoing, and added that the Council did not get into the funding of it. Commissioner Thigpen stated that while the current uninsured population is young, she asked if there were any provisions in the plan to account of an aging population. Dr. Katz said that on average the uninsured are less than 40 years of age, but said it was a valid question adding that the calculation assumes the demographics stay the same. Commissioner Thigpen said that the emphasis is on preventative care and wondered what type of outreach will be done to talk to the population about preventative care. Dr. Katz said that while one can never change people's behavior, they will nonetheless try novel ideas such as providing free preventative care including free pap smears for example. Commissioner O'Connor expressed his concern for his personal situation in which his workforce is made up mostly of young people, stating that he as an employer will contribute a lot under the current proposal, but will not take out much in that his employees because they are young and healthy, will not use it. He said this prospect frustrates him. Commissioner Alberts asked if the philanthropic community would be paying for this to a certain extent in the future. Dr. Katz said that this was not planned. Jim Vernon, a member of the public said that he is educated and one of the 82 thousand uninsured. He said that he would not use this plan. He said that there are insurance plans out there such as Blue Shield that cost less than the plan and are comprehensive. He stated that he would be starting his own program and that anyone would be eligible to join. He said the way that you would keep the costs down in his

program is to not cover lab work, which doctor's often want to request you to get often time for not reason. Stephen Cornell stated that the City is the largest employer or one of the largest. He said that he would hope that when the city buys products that these vendors also provide insurance to their employees and that they comply with the cities minimum wage ordinance and all other employment related ordinances.
Commissioner Chiu made a motion to support the proposed HAP ordinance. Commissioner Murad seconded the motion with the amendment to provide proof of residency for a minimum of twelve (12) months, and to cap the number of uninsured so that it does not increase substantially. Commissioner Chiu accepted the amendments. The motion passed with 5 yes votes. Commissioner Alberts opposed.

Item 17 - New Business
Commissioner Thigpen proposed that the next community meeting be held on August 21st in Chinatown and the Tenderloin. She said that she and Director Ubalde had set a tentative schedule that they would like the Commissioners to review and provide feedback. Commissioner Ventura requested that Director Ubalde work with the Department of the Environment to get information on the number of businesses that they have reached out to with respect to their various programs. Commissioner Thigpen suggested calendaring the street fair items and inviting all the stakeholders. Director Ubalde suggested bringing back Christine Carpenter from the Department of Public Health to give her input on the Work Standards Proposal.

Item 18 - General Public Comment
No public comment at this time.

Item 19 - Adjournment
Commissioner Ventura made a motion to adjourn. Commissioner Chiu seconded. Unanimous approval from the Commission. The meeting was adjourned at 8:29 P.M

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SMALL BUSINESS COMMISSION
NOTICE OF SPECIAL COMMUNITY MEETING & AGENDA

Monday, July 31, 2006
5: 30 P.M.

BAYCAT, 2415 THIRD STREET, SUITE 230, SAN FRANCISCO CA 94107
(Located at the intersection of Third & 20th St. Please Note: Accessible entrance at 2425 Third St.)

1. **CALL TO ORDER AND ROLL CALL**
2. **INTRODUCTIONS** (Action Item)
3. **SMALL BUSINESS COMMISSION PRESENTATION**: Allows for an overview of Commission roles, responsibilities and services provided by the Office of Small Business (Discussion Item)
4. **STAKEHOLDER PRESENTATIONS**: Allows for an overview of the Bayview Merchants Association, 3rd Street Collaborative, and Visitation Valley Business Opportunities and Outreach to Merchants (VVBOOM) (Discussion Item)
5. **TOWN CENTER DEVELOPMENTS AND VISTACION VALLEY DEVELOPMENTS ON LELAND AVENUE:** Allows for presentation, discussion and possible action on the current Town Center Developments and Visitation Valley Developments on Leland Avenue (Discussion/Action Item)
6. **MEETING BREAK-OUT SESSION:** Allows members of the public to break into small group discussions and possible action with individual Commissioners and staff to listen to small business / merchant issues, including: (Discussion / Action Item)
   a. Pedestrian Circulation / Enhancement in relevant business district
   b. Planning / Development (e.g. retail development, facade improvement program)
   c. Public Safety / Quality of Life Improvements / Enforcement
7. **CLOSING REMARKS / NEXT STEPS:** Allows the public and Commissioners to summarize and discuss next steps (Discussion Item)
8. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
9. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the commission (Discussion Item)
10. **ADJOURNMENT: (Action Item)**

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GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

BAYCAT

GETTING THERE

BAYCAT
2415 Third Street, Suite 230
between 20th & 22nd Streets
San Francisco

2415 Third

- Enter BAYCAT from Third Street
- Look for 2415 Third Street, close to corner of 20th Street
- Walk up the stairs to the 2nd Floor
- Turn left into the hallway from the stairwell, and look for Suite 230

Suite 230

MUNI/Public Transit

MUNI #15, 22, & 48 Buses stop on the corner of Third and 20th Streets

Parking

- **Third Street**
- **Illinois Street** (one block east and parallel to Third Street)
- **Tennessee Street** (one block west and parallel to Third Street)

Driving to BAYCAT

FROM BAYVIEW-HUNTERS POINT

- Take Third Street toward Downtown San Francisco to 20th Street

COMING FROM DOWNTOWN SAN FRANCISCO

- Take Sixth Street and merge onto 280 South
- Take Mariposa Street & exit toward 18th Street, and take 18th Street exit ramp
- Left on 18th Street
- Right onto Third Street to 20th Street

COMING FROM SOUTH BAY

- Take 101 North to 280 North; merge towards Downtown/ Port of San Francisco
- Take Caesar Chavez exit
- Right onto Caesar Chavez; pass 2 traffic lights
- Left onto Third Street and stay on Third Street to 20th Street

COMING FROM THE EAST BAY

- From Bay Bridge 80 West, merge onto 101 south
- Take Caesar Chavez East/Bayshore Blvd exit
- Take Caesar Chavez ramp and light left onto Caesar Chavez
- Left on Third Street and stay on Third Street to 20th Street

BAYCAT

City and County of San Francisco

SMALL BUSINESS COMMISSION

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Notice of CANCELLED Meeting

For

Monday, July 31, 2006 @ 5: 30 P.M.

The previously scheduled SPECIAL Community Meeting at BAYCAT, 2415 Third Street, Suite 230, San Francisco Ca 94107 on Monday, July 31, 2006 at 5:30PM has been CANCELLED. The tentative rescheduled date is Monday, August 21, 2006 at 5:30PM. More details and formal agenda will be forthcoming.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 448 SAN FRANCISCO, CALIFORNIA 94102
(415) 554-6134

SMALL BUSINESS COMMISSION
NOTICE OF *SPECIAL* MEETING & AGENDA (AMENDED)

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Monday, August 07, 2006
5: 30 P.M.
CITY HALL, ROOM 263
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102
***Indicates that meeting is not on regular monthly meeting date nor location**

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1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF JUNE 12TH AND JULY 10TH, 2006 MEETING MINUTES** (Action Item)

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **PRESIDENT'S REPORT:** Allows the President to report on recent small business activities and make announcements (meaningful payroll tax reform and community meetings update) (Discussion Item)

5. **VICE PRESIDENT'S REPORT:** Allows the Vice President to report on recent small business activities and make announcements – Back Street Business Task Force, & Health Care Task Force, and Permit Streamlining (Discussion Item)

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8. **CREATING THE FRINGE FINANCIAL SERVICE RESTRICTED USE DISTRICT AND RELATED ZONING MAP AMENDMENTS:** Presentation, discussion and possible action on **File No. 061108**. Ordinance amending Section 249.5 and adding Section 785 to the San Francisco Planning Code to create a noncontiguous Fringe Financial Service Restricted Use District prohibiting new fringe financial services, as defined, with certain exceptions; adding Section 790.111 to the San Francisco Planning Code to define a Fringe Financial Service Use; amending San Francisco Planning Code Section 312(c) to require certain notice in Neighborhood Commercial Districts; amending San Francisco Planning Code Sections 710 through 730 to add Fringe Financial Service Use to the Neighborhood Commercial District Zoning Control Tables; amending Sectional Maps Numbers 1SU, 2SU, 6SU, 7SU, 8SU, and 10SU of Zoning Map of the City and County of San Francisco to indicate the boundaries of the Fringe Financial Service Restricted Use District, and making findings, including environmental findings and findings of consistency with the priority policies of Planning Code Section 101.1 and the General Plan. Presentation by David Augustine of the Treasure's Office & Dan Sider of Planning (Discussion/Action Item). Explanatory Documents: File No. 061108

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5: 30 P.M.
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12. **FARMERS' MARKETS:** Presentation, discussion, and possible action on **File No. 061112**, Ordinance amending the San Francisco Park Code by adding Section 7.21 to authorize Farmers' Markets, as certified by the Agricultural Commissioner, to be located on property under the jurisdiction of the Recreation and Park Commission upon the making of certain findings by the Commission; amending San Francisco Administrative Code Section 9A.3 to authorize the Agricultural Commissioner to work with the jurisdiction of the Recreation and Park Commission upon which to locate Farmers' Markets; and amending San Francisco Administrative Code Section 9A.15 to require Farmer's Market vendors to accept forms of payment provided by participants of federal, state, or local food assistance programs. Introduced by Supervisor Ross Mirkarimi (Discussion/Action Item). Explanatory Documents: File No. 061112

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City and County of San Francisco
Small Business Commission

August 07, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, August 7, 2006 5:30 PM

Small Business Commissioners

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

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Members Absent: Commissioner Murad

Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, August 7, 2006 in special session. Commissioner Murad was absent. The meeting was called to order at 5:37PM

Item 2 - Approval of the June 12, 2006 and July 10, 2006 meeting minutes
The June 12, 2006 and July 10, 2006 meeting minutes were unanimously approved as submitted.

Item 3- General Public Comment
Supervisor Fiona Ma thanked the commission for their service. She said that she is a CPA by training starting out with Ernst and Young and said that when she left she started her own practice. She said she was a small business and many of her clients were too. She said that she also served as the president of the Asian Business Association in 1994, stating that this is how she had got her start in public service. She said she was also on the Board of the Renaissance Entrepreneurship Center, stating that small business has been a passion and a concern of hers since she was elected to the Board. She thanked Director Briones Ubalde and Commissioner O'Connor for their support, stating that she had convened a small advisory panel for about six months. She said that the goal was to figure out the difficulties and how the city could help small businesses navigate through the system. She reported that they quickly learned that oftentimes business owners had to go through six or seven different agencies to get all the permits they needed to operate. She said that the city needs to do better adding that she is a big proponent of a one stop shop, stating that there was an article in the Examiner on this very issue. She reported that she would also be exploring something for the November ballot in case anyone was interested in working on that and said that perhaps it would be a policy statement talking about the need for government and city administration to focus on having a

one stop shop to help small businesses start and to provide services once small businesses are in business. **Stephen Cornell** of the Polk Street Merchants Association reported that he had sent a letter to Captain Dillion of the SF Police Department and copied both the Small Business Commission and Supervisor Peskin's Office about the prostitution problem on Polk Street. He said that only **President Thigpen** and Supervisor Peskin had responded, but he had not received a response from the Police Department. He said the problem has worsened since Oakland cracked down on prostitution in their city and said that he would request the same courtesy as the pimps get in his neighborhood.

Item 4 - President's Report
Commissioner Thigpen announced the Commission's first community meeting, which had to be rescheduled due to scheduling conflicts, stating that it was now scheduled for Monday, August 21, 2006 at6 5:30PM at the Bayview Branch Library on 3rd and Revere. She also asked commissioners to get back to staff with their availability for future community meetings. On the Payroll Reform issue she reported that it was something that staff would continue to track.

Item 5- Vice President's Report
Commissioner O'Connor reported that with regard to Supervisor Ma's comments, he said that this was definitely an issue that the Commission would continue to look at and definitely would consider proposing a policy statement for the November ballot as stated by Supervisor Ma.

Item 6 - Director's Report
Director Agnes Briones Ubalde reported on the Commission's West Portal survey, providing an update, stating that a full report would be provided the end of August. She said that the goal of the survey was to find out if businesses in the area where familiar with existing programs that are available to support small businesses. She said that they found that there is a lack of awareness even with respect to the Commission and the services offered by the Commission. Furthermore she reported on the recent Geary Boulevard merchant walk which the Commission had participated in July. She said that merchant walk was really championed by Commissioner Ventura adding that Commission Thigpen had also participated. She reported that the Mayor's Office of Neighborhood Services as well as SF Safe and SFPD had also participated. **Commissioner Ventura** suggested having a link to SF Safe on the Commission's website because he was impressed by their services. **Commissioner Thigpen** suggested having Chinese and Spanish speakers on future merchant walks. **Director Ubalde** suggested that it would be good to have merchant walks in the neighborhoods targeted for the community meetings and said that perhaps conducting a merchant walk prior to the meeting would be a good way to get the word out about the meeting as well as to hear first hand from the merchants about some of the issues in order to discuss these issues at the community meeting.

Item 7 - Streamlining the Permit/Licensing Process for Small Business
Commissioner O'Connor stated that the basic through process behind the idea to streamline the permit process was that San Francisco businesses or those trying to open businesses here should not have to jump through hurdlers to get permits to open. He said that the city should work to make it easier for businesses to open and do business in San Francisco, stating that they were finding that there is too much read tape and too much bureaucracy, which often turns people away. **Director Briones Ubalde** went through the report which was done by Joyce Scales, a graduate student at the Goldman School of Public Policy at Berkeley. The first aspect of the report was an analysis of the situation, stating that small business has a big impact on the San Francisco economy. She said that the Small Business Commission receives several inquiries daily from folks wondering what they need to do where they need to go to register etc, adding that this report was written to respond to these requests.

She said that the method of research and analysis that were used included direct observation and interviews with department representatives as well as a questionnaire. She said that they found that city agencies do not speak to each other as well as they can and ought to. She said that they found that there was no substantial effort on the part of anyone to help small businesses, adding that there are no customized requirements that are relevant to their business. She reported that there are about 12 departments that businesses may need to visit depending on their business plan, but said that partially due to this there is no one to hold accountable for mistakes or miss information. She said that they also found that there is little or no effort to bridge the language divide. She said that there are insurmountable hurdles that prompt businesses to operate outside the permitting process and said that conflicting information and delays cost businesses time and money. She reported that San Francisco is apparently not alone in this, stating that other cities also face a similar problem. She said they found some jurisdictions that provide good examples including Sunnyvale and Chicago, which are focusing on customer service. She said that in order for San Francisco to make changes in its service delivery, there would first need to be an audit of departments by the Controller's Office, which she said is a complex process that would take buy in form the city departments as well as political will. She said that the Office of Small Business tries to do what it can to point folks in the right direction, but said that it is quite limited with a staff of two. **Commissioner Thigpen** said that she had actually gone on the city of Chicago's website and said it was quite simple. She said that they have a survey that you take and it walks you through the process, telling you exactly what you need for what type of business. **Commissioner Chiu** said that he had not read anything in the report that talked about how much the city is currently spending in all the 12 agencies combined. He thanked staff for their efforts and Ms. Scales for her time. **Commissioner O'Connor** thanked Director Briones Ubalde and staff for seeing this process through. He said that a lot of businesses open and don't go through the process and the city is loosing those permitting dollars. **Director Briones Ubalde** said that she would be meeting with the Mayor's Office of Economic and Workforce Development staff to see if they can help get some consultants to further study this issue. **Commissioner Richardson** said that San Francisco has a reputation of being a union town but not so much a small business town. She suggested using existing public private partnerships to do outreach about the process. **Commissioner O'Connor** said that outreach and assistance is currently being provided by the neighborhood economic development organizations that the city contract with. **Commissioner Alberts** said that these services are also being provided by the Federal Small Business Administration to a certain extent, and at the Oakland City Center and she suggested taking some cues from them. **Director Ubalde** stated that while the SBA is great it does not offer help in determining what permits and licenses are required and where one needs to go to obtain them, adding that the SBA refers these folks to the Small Business Commission for assistance. **Monika Hudson** of the Bayview Business Resource Center complimented the Commission on what they are trying to accomplish. She said that as a representative of one of the neighborhood economic development organizations that helps businesses through the process she is in support of streamlining the process; however she expressed concerns about a potential ballot initiative with out knowing exactly what that would look like. She asked for more details. **Commissioner O'Connor** said that the ballot policy statement would simply be symbolic and just a starting point. He said that there is no language yet, adding that whatever the language would be, it would simply put up the frame work for proceeding on this track. **David Sahagun** thanked the Commission for thinking of these applicants as customers, adding that the Commission really gets it and he is appreciative of that. He recognized other departments such as Public Health who also get it, and he urged other elected officials to get on board.
Commissioner O'Connor made a motion to move forward with the findings of this report and make a policy statement for the November ballot. **Commissioner Alberts** seconded. **Director Briones Ubalde** cautioned the Commission regarding the motion made, because she said the ballot initiative issue was not an action

item on the agenda. Commissioner O'Connor withdrew his motion and instead made a motion to support the work done thus far including the findings of the report. Commissioner Alberts seconded. Unanimous approval from the Commission.

Item 8 - Creating the Fringe Financial Service Restricted Use District and Related Zoning Map Amendments
David Augustine of the Treasure and Tax Collector's Office presented a map which detailed the areas that would not allow for new fringe financial services to locate there. He explained that these businesses are typically your check cashing and pay day lenders, stating that they can charge up to 10% of the value of the check and 450% for a two week loan respectively. He said that currently there are about 50 of these businesses in the city and said that they are concentrated in the poorest neighborhoods and said that these types of places target the un bankable population, the very low income people who do not otherwise have a checking account. In light of this he reported that the Treasure's Office is working with banks and credit unions on "Bank on San Francisco", which he said would roll out in the Fall and encourages banks and credit unions to provide better products for the 50 thousand plus folks in San Francisco who are currently un banked. He said that the legislation would not prohibit existing uses, stating that they would be allowed to exist, adding that it is designed to limit the spread of these businesses and limit the rate of growth. **Dan Sider** with the Planning Department talked to the geography aspect of the legislation and the definition of fringe financial services. He said that the ordinance relies on the state definition and state licensing procedures, adding that they are relying on the established system thereby minimizing ambiguity and really helping the city implement this RUD (Restricted Use District), should it be implemented. He reiterated that the ordinance would only prohibit new fringe financial services in the RUD's shown on the map, essentially 5 neighborhoods. He said existing businesses in these areas would continue to operate, but would not be allowed to expand. **Commissioner Thigpen** thanked the Treasure's Office, the Supervisor and the Planning Department for proposing this ordinance, stating that the proliferation of these services in the poorest neighborhoods is a serious issue, particularly in the Mission. **Commissioner Ventura** asked why the areas in the Outer Mission and the Excelsior are not included in the RUD. **Dan Sider** responded stating that there is not an over concentration of these services in that area, adding that it does not mean that these neighborhoods could not be revisited later. **Commissioner Chiu** stated that it seems that everyone could agree that these businesses are certainly fringe and businesses that most of them are not in favor of. Having said that he questioned the impact around competition, stating that would a restriction on these businesses not give those existing businesses a competitive advantage to keep their prices up. **David Augustine** reminded folks that these businesses would still be allowed to locate in other areas outside the boundaries of the RUD, so competition would not be eliminated entirely. **Commissioner Richardson** asked if there is a usury law and what it is. **David Augustine** replied stating that these businesses are covered by state but said that he did not have the figures or the restrictions. **Stephen Cornell**, a member of the public asked about credit cards that offer cash advances, stating that these too are like check cashing facilities, adding that they have very high interest rates and asked what if anything the city will do about this. **Barry Hermanson**, a member of the public and past business owner of 25 years said that 50-60% interest rate in this business in not uncommon. He said that there is another word for it and it is predatory lending, adding that Wells Fargo is one of the largest funders of these pay day lenders. He said it is wrong, adding that poor people need to have other options. **Commissioner Ventura made a motion to support the proposed ordinance as submitted. Commissioner Chiu seconded. Unanimous approval from the Commission.**

Item 9- Health Worksite Standard Proposal
Christina Carpenter of the Department of Public Health stated that these guidelines

stem from the Mayor's Shape Up Initiative which is focused around how to create healthy work environments for people so that they have the opportunity to physically be active and eat healthy. She said that there's really a whole movement around this both at the state level and nationally around this. She said that at the April summit the Mayor had issued an executive order asking all city departments to incorporate wellness into their value statement or mission and to identify two standards to implement over the course of a year. She reported that over 55 departments had been represented at the first meeting and said that the city is walking the talk and not just asking others to do it. She announced the Mayor's Office of Community Development and Communities of Opportunities stadium to stadium run that will take place the weekend of August the 12th from Monster Park to the Giants stadium and will benefit the Southeast Health Centers and educational programs. She said that they have spent some time working on the guidelines and have reformatted them, and said that it is still a work in progress, but added that substantively it will not change dramatically. She said that they are trying to make it as clear as possible but said that they do want the commission's feedback. **Chris Mittelstaedt**, founder of the Fruit Guys spoke about why the Commission ought to endorse these guidelines stating that there needs to be an organizational body that endorses something in order for others to follow suit. He added that currently there is a window of opportunity in that the Governor, members of the senate and the Mayor of San Francisco are all on board with this. Heading that call he said that they would like to involve as many organizations and the local business community of San Francisco to come together and be healthy together. He encouraged the commission to endorse these guidelines. **Commissioner Alberts** asked how the Commission might endorse this other than by simply stating it. She asked if there would be certificates issued to healthy businesses for example, similar to the green business model. **Chris Mittelstaedt** said that was a great suggestion and said that it is something that they are considering. **Commissioner Thigpen** suggested perhaps offering a discount on the fees due for the Health Access Plan. **Commissioner Richardson** mentioned the Russian model in which physical activity is worked into the work day. **Director Briones** Ubalde asked where they see this going, are there plans to legislate it. **Chris Mittelstaedt** responded stating that it is an issue of leadership adding that the intention is not to legislate it, but to simply create a buzz about this, adding that they should be careful about saying let's legislate it.
Commissioner Alberts made a motion to endorse the program, specifically the guidelines as submitted. Commissioner Ventura seconded the motion. Unanimous approval from the Commission.

Item 10- Paid Sick Leave Proposal
Sonya Mehta, of Young Workers United, stated that they work with young and immigrant workers in the service sector to educate them about their rights and to help them if they are having problems on their job. She said they work with several coalition members including SEIU 790, Young Community Developers, and the Center for Young Woman's Development, Parent's Voices, the Committee of Interns and Residents, which is a Union of Doctors at General Hospital etc, and finally the Chinese Progressive Association. She announced that their Coalition would be putting an initiative on the November ballot that would require paid sick days for every San Francisco worker. She said they feel this is importantly especially for low wage working woman but also to the community at large. She said woman are still the primary caregivers in our society, thus it is really important for them to be able to take time off from work to care for their children and to ensure that the children are not going to school sick and only perpetuating the sickness. She also talked about restaurant employees who go to work sick because they can't afford to take time off; meanwhile they are serving food to the public, stating that this is not good for anyone, because again it only spreads the sickness causing a public health crisis. She talked about the details of the legislation, stating that for every 30 hours worked, an employee will gain 1 hours paid sick leave. She said that for small businesses, which they have defined as under 10 employees, there is a cap of 5 days or 40 hours. For

businesses with over 10 employees a worker can accrue up to 72 hours, including workers that work overtime and those that work more than the 40 hour week. She said that the legislation would allow workers to use their paid sick days to care for sick family members and spouses, even those that are not legally married. She said that there are some safeguards for businesses including that a worker must give reasonable notice. The employer also has a right to ask for a reasonable verification of the illness. She reported that the Coalition had spoke to members of the Golden Gate Restaurant Association, the Chamber of Commerce, Commissioner David Chiu and others and said that from these conversations they have come up with some changes that will make it more amenable to the business community because she said they believe that the business community is important to San Francisco. One of the changes she said was the probationary period, stating that they extended it from 2 months to 3 months. Furthermore she said that they changed the reasonable notifications to allow for employers and employees to come up with what is reasonable for them instead of stipulating hours and days. With respect to the reporting she said that it remains the same just as it is under state law, an employer must record hours worked. Finally she said there is the intent of equivalency, meaning that if an employer is already providing paid sick days, they would not be required to offer 9 sick days plus what they are currently providing, simply the different. She went on to report on a poll that they conducted through David Binder and Associates of the San Francisco community regarding this issues and said that what they found was that there was that general support for the idea of paid sick days was about 84%, adding that this shows that San Francisco is a compassionate town that wants a healthy community and healthy economy and said that this proposal really satisfies all those requirements. **Commissioner Thigpen** thanked YWU for coming to present to the commission. She said this is an important issue and said that she certainly appreciates having paid sick days through her employer. **Commissioner Chiu** thanked YWU for doing the rounds within the business community, and for subsequently amending the legislation so that it takes into account any days that the employer might already be providing. He spoke to a question that he had raised in prior meeting with the group which has to do with the definition of small business. He said that as he understands the legislation from having read it, it would take into account part time employees as well. He asked if they would consider instead a 10 full time equivalency requirement rather than simply 10 employees. **Sonya Mehta** replied stating that they can not have exemptions because she said if they really want to address the public health issue then they have to allow part time workers the same benefits to be able to take paid time off if they are sick. **Commissioner Ventura** said that the legislation currently allows for paid sick days to roll over from year to year. He asked for more information about this, particularly in relation to the cap. **Sonya Mehta** replied stating that it does roll over but the cap is still 9 days, adding that it would not multiply. She said there is also no cashing out of sick days because she said it is truly intended for people who are sick to be able to take that time off and get better. **Commissioner Ventura** expressed his concern that an employee could in essence use the unused sick days for personal time off. **Sonya Mehta** said that this would be an issue of hiring untrustworthy employees. **Commissioner Ventura** did not agree stating that if he knew he had these days that he had not used, he may want to take advantage of these days and have a three day weekend for example. **Sonya Mehta** in this case said she would like to point the commission to the research that Vicky Lovell did for the Institute for Women's Policy Research, which looks at how much time people take off, stating that on average folks that get these paid sick days rarely use them all. Only about 1.8% of people use every sick day they get. **Commissioner Ventura** suggested in that case, in light of this research, that they consider 3-4 days per year instead of 5-9 days per year, stating that this would be more equitable for businesses. **Sonya Mehta** said that when you consider woman workers who have children, you have to factor in more than that and said that she felt that 5-9 days was an equitable proposition. **Commissioner Thigpen** had a follow up comment to Commissioner Chiu's concern with the part time employee, stating that often part time employees work at more

than one business, stating that in the current legislation they would get double the coverage and up to 18 days off. **Sonya Mehta** stated that this would not be the case because it would be unlikely that a part time employee would be able to work that much in both jobs to accrue 18 days. The way the legislation is written an employee accrues 1 hour paid sick time off after having worked 30 hours. **David Sahagun**, a member of the public and business owner said that there is abuse of sick time especially with younger employees. He said this was insulting to the business community that this matter would have to be legislated, adding that any responsible employer would have a policy for this already. He said legislating this would result in abuse, and said that it's a disincentive to hire youth. He recommended working 50-60 hours for every 1 hour sick time, and said that part time employees should be excluded unless they work 30 hours per week. **Barry Hermanson** said that he never had a policy for sick time in his 25 years as a business owner, adding that he considered his employees family and would simply allow them to take time off. He wondered what sort of a minimum standard people have as a society. He agreed that the process for coming up with this was horrible, but said that it is a good thing for workers and said that he would support it but encouraged folks to communicate sooner on these matters. **Stephen Cornell** stated that the claims about their meeting with the business community were not accurate. He said that the Golden Gate Restaurant Association's members employ on average 44 employees, stating that this is not a small business. He said that businesses that are legitimate businesses are good about this. He wondered what would happen in the case of a small retailer or small business, adding that all these mandates will prove to be too much and drive businesses out of the city. **Director Briones Ubalde** read into the record a letter from President of the Council of District Merchants Association Jim Maxwell, which suggested exempting businesses with fewer than 20 employees. The letter also suggested that there must be a threshold limiting the benefits to employees that work a minimum of 12 hours a week or more, that the burden of documenting accrued paid time off for employees working less than 12 hours would seem to be difficult at best, and finally that there must be a clause that clearly states abuse of the paid sick time may likewise result in penalties to the employee. She also read an email from Bill Currie of Curries Automotive, Inc., which stated that the legislation would burry small businesses in San Francisco, stating that they are currently assessing what this legislation would do to their business and said that they would be forced to close many of their marginal businesses. The email went on to say that they currently operate five service stations in the city and due to competition from major oil companies, they would not be able to continue competing and would go under. **Commissioner Alberts** read an email from **Ted Lowenberg** to the Commission which urged the Commission to oppose the proposed legislation stating that it was ill conceived and will cause the smaller neighborhood serving businesses to wither away under a new burdensome tax, adding that the tax would not result in better health for city hourly workers. **Commissioner Thigpen** also mentioned that Mick Suverkrubbe had also emailed the Commission stating his opposition. She said that he is a business owner in the Marina, and president of the Marina Merchants Association.

Commissioner Ventura made a motion to oppose the legislation. Commissioner Alberts seconded. The motion passed with three votes in favor and two opposed. Commissioners Richardson, Alberts and Ventura voted in favor of the motion to oppose. Commissioners Chiu and Thigpen opposed the motion. Commissioner O'Connor and Murad were not present.

Item 11 - Use Of Public Sidewalk Space By Nonconforming Uses

Supervisor Mirkarimi said that he had received all positive remarks regarding this legislation. He said the motivation for this was a café in his district that wanted to apply for out door seating and said that typically this particular café would not be able to get this permit and said that it was really due to outdated code. He said the legislation is a reform to non commercial use and commercial use. He said these businesses would still need to comply with everything and follow the proper protocol,

adding that it is a good thing for businesses. He said it would revitalize an area and add to the colorfulness of the area. He said that when he started working here he was surprised how little outdoor seating the city offers. He reported that the ordinance had been unanimously approved by the Planning Commission and he thanked Planning staff for all their help on it. Commissioner O'Connor said that he had a personal experience with this and said that he liked the fact that Supervisor Mirkarimi gets it. He said this is a great thing for the city, stating that small businesses are on the front lines when it comes to community policing and looking out for their neighborhoods. Commissioner Chiu made a motion to support the legislation. Commissioner Alberts seconded. The motion was unanimously approved by the Commission.

Item 12 - Urging The California Congressional Delegation To Oppose The Ongoing Effort By Rep. John Culberson (R-Texas) To Prevent Cities From Accepting The Matricular Consular And Other Identification Cards Issues By Other Countries, As Valid Forms Of Identification
Commissioner Thigpen clarified that Supervisor Sandoval's Office had agreed to present this item that they have introduced, but said that something came up last minute and they were not able to attend. She reported that it appears that there is a Republican male in Texas who is proposing the non acceptance of the matricular consular and other forms of identification issues by other countries as valid forms of identification for work purposes or other. Commissioner Chiu said that he was comfortable making a motion to support this legislation and said that it is a resolution that was unanimously passed by the Board of Supervisors and signed by Mayor Newsom in support of the fact that there are thousands of non citizens that make up the city's work force, particularly the city's small business work force. He said frankly he views this as an anti immigrant republican position that he does not think the city should stand for.
Commissioner Chiu made a motion to support the legislation. Commissioner Ventura seconded the motion. Unanimous approval from the Commission.

Item 13 - New Business
Commissioner Chiu asked what for the community meeting schedule. Commissioner Thigpen said that the community meetings are tentatively scheduled as follows:
Bayview = Monday, August 21st
Chinatown/Tenderloin = September 18th
SOMA = October 23rd
Western Addition = November 20th
She also announced that the regular October meeting would have to be rescheduled due to the Columbus Day Holiday which falls on the 9th. She said the tentative new date is Monday, October 2nd if that works for everyone.

Item 14 - General Public Comment
No public comment at this time.

Item 15- Adjournment
Commissioner Richardson made a motion to adjourn. Commissioner Alberts seconded. Unanimous approval from the Commission. The meeting was adjourned at 8:24 P.M

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SMALL BUSINESS COMMISSION
NOTICE OF SPECIAL COMMUNITY MEETING & AGENDA

Monday, August 21, 2006
5: 30 P.M.

BAYVIEW BRANCH LIBRARY MEETING ROOM, 5075 3rd STREET, SF CA 94124
(Located at the corner of 3rd & Revere)

1. **CALL TO ORDER AND ROLL CALL**
2. **INTRODUCTIONS** (Action Item)
3. **SMALL BUSINESS COMMISSION PRESENTATION**: Allows for an overview of Commission roles, responsibilities and services provided by the Office of Small Business (Discussion Item)
4. **STAKEHOLDER PRESENTATIONS**: Allows for an overview of the Bayview Merchants Association, 3rd Street Collaborative, and Visitation Valley Business Opportunities and Outreach to Merchants (VVBOOM) (Discussion Item)
5. **TOWN CENTER DEVELOPMENTS AND VISTACION VALLEY DEVELOPMENTS ON LELAND AVENUE:** Allows for presentation, discussion and possible action on the current Town Center Developments and Visitation Valley Developments on Leland Avenue (Discussion Action Item)
6. **MEETING BREAK-OUT SESSION:** Allows members of the public to break into small group discussions and possible action with individual Commissioners and staff to listen to small business / merchant issues, including (Discussion / Action Item)
   a. Pedestrian Circulation / Enhancement in relevant business district
   b. Planning / Development (e.g. retail development, facade improvement program)
   c. Public Safety / Quality of Life Improvements / Enforcement
7. **CLOSING REMARKS / NEXT STEPS:** Allows the public and Commissioners to summarize and discuss next steps (Discussion Item)
8. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
9. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the commission (Discussion Item)
10. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item
Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALL BUSINESS COMMISSIONERS
JORDANNA THIGPEN, PRESIDENT
MICHAEL O'CONNOR, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. MUNI lines serving the area are the #15, 23, 24, 44, & 54. For more information about MUNI accessible services call 923-6142. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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SMALL BUSINESS COMMISSION
NOTICE OF MEETING & AGENDA

MONDAY, SEPTEMBER 11, 2006
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF THE AUGUST 7, 2006 MEETING MINUTES** (Action Item)
3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
4. **PRESIDENT'S REPORT:** Allows the President to report on recent small business activities and make announcements (Discussion Item)
5. **VICE PRESIDENT'S REPORT:** Allows the Vice President to report on recent small business activities and make announcements (Discussion Item)
6. **DIRECTOR'S REPORT:** Allows the Director to report on recent small business activities and make announcements (Discussion Item)
7. **ADOPTING POLICIES REGARDING COMMISSIONERS' ATTENDANCE AT MEETINGS:** Presentation, discussion and possible action for the Commission to adopt a policy regarding members' attendance at meetings of the Commission as adopted by the Board of Supervisors per Resolution No. 502-06 (Discussion/Action Item). Explanatory Documents: Resolution No. 502-06
8. **ENERGY EFFICIENCY PROGRAMS FOR SMALL BUSINESSES:** Presentation and discussion on the Department of the Environment's energy efficiency programs and outreach efforts to small businesses. Presentation by Cal Broomhead of the Department of the Environment (Discussion Item)
9. **SHOP LOCAL FIRST CAMPAIGN:** Presentation and discussion of a proposed 2006 Shop Local First Campaign and Celebration. Possible action for the Commission to endorse the campaign. Presentation by Don Shaffer of BALLE (Business Alliance for Local Living Economies) (Discussion/Action Item)
10. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the commission (Discussion Item)
11. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
12. **ADJOURNMENT: (Action Item)**

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RICHARD VENTURA

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City and County of San Francisco
Small Business Commission

September 11, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, September 11, 2006 5:30 PM

Small Business Commissioners

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

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Members Absent: Commissioner Alberts

Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, September 11, 2006 in regular session. Commissioner Alberts was absent. The meeting was called to order at 5:42PM

Item 2 - Approval of the August 7, 2006 meeting minutes
The August 7th, 2006 meeting minutes were unanimously approved as submitted.

Item 3- General Public Comment
No public comment at this time.

Item 4 - President's Report
Commissioner Thigpen announced that the Commission would be launching its annual Shop Local First Campaign, but said that she would hold off since the item was on the agenda.

Item 5- Vice President's Report
Commissioner O'Connor reported that the Back Street Business Task Force is winding down and said that a full report and presentation would be forthcoming in the next couple of months. He said that as part of this process they have conducted a series of studies and surveys of the business owners in the industrial sectors of San Francisco to assess what is lacking or what the city could do to help their business and to help grow jobs in that sector. He asked if anyone had any questions and he invited folks to the meetings which are held the first Wednesday of the month at City Hall at 4PM. **Commissioner Richardson** asked if the area in question was the Bayview Hunters Point specifically. **Commissioner O'Connor** responded stating not specifically,

although he said that the area is where the majority of jobs and businesses are located. He said that generally this is related to zoning and to what degree the city wants to rezone industrial space so that it can be turned into potential housing space, or as a city how much industrial space we want to preserve. He said that the task force was put together to study these questions and recommend policy. **Commissioner Richardson** asked if the 23,000 signatures were valid against the Redevelopment Agency's plans to redevelop that part of the city. **Commissioner O'Connor** responded stating that the Back Street Business Task Force is separate from and has not had anything to do with the Redevelopment Agency's plans in that area and said that he did not have the answer to that question. **Commissioner Murad** asked if the Back Street Business Task Force was only focusing on that part of the city or the entire city. **Commissioner O'Connor** responded stating that the Task Force was focused on the Southeast sector of the city, including all or portions of District 10, 9 and 11, areas that are primarily industrial.

Item 6 -Director's Report
Director Briones Ubalde was not in attendance due to illness

Item 7 - Adopting Policies Regarding Commissioners' Attendance at Meetings
Commissioner Thigpen stated that Supervisor Ammiano had introduced a resolution urging commissions to adopt attendance policies and submit them to the Board of Supervisors by December 1, 2006. She said that apparently there was a problem with lack of attendance and since some commissioners do get a stipend as well as receive benefits, it seemed only fair that there be an attendance policy for commissioners. She said that for whatever reason the attendance policy that the previous commission had adopted was omitted from the current Small Business Commissions Rules of Order adopted 9/15/05, and stated that there was some language for the Commission's review. **Commissioner Chiu** stated that he had reviewed the previous commission's attendance policy language and said that he was comfortable with it. **Commissioner Thigpen** suggested to allow for death in the family and planned vacations as excused absences.
Commissioner Ventura made a motion to amend the rules of order of the Small Business Commission to reflect an attendance policy which would allow up to three (3) absences including preplanned vacations and death in the family at regular meetings of the commission, excluding committee meetings and special meetings. Commissioner Chiu seconded. Unanimous approval from the Commission.

Item 8- Energy Efficiency Programs For Small Businesses
Cal Broomhead of the Department of the Environment talked about past and present energy efficiency programs of the DOE. He talked about Power Savers which was a program in 2002/2003 and said that it was a lighting only program. He said the program had a lot of issues, which he said they have learned from and said that they are much happier with their new program, Energy Watch which will end in 2008. He reported that Energy Watch is a two year program that will go from present 2006 to 2008. He said as such they will be able to customize the program for each business and said that they will be able to use local contractors because it will not be such a big load all at once as with Power Savers. Energy Watch will provide three million dollars incentives for small businesses and will include refrigeration and ventilation, both of which were lacking with Power Savers. He reported that there was currently an RFP out and there would be an upcoming bidders meeting which he invited the Commission to attend. He said that they would be open to suggestions and ideas from the Commission on ways to reach small business constituents and get them to participate. **Commissioner Ventura** volunteered to work with DOE staff directly and through the Commission Director to get the word out, stating that this sort of partnership makes sense.

Item 9- Shop Local First Campaign
Don Shaffer of BALLE, Business Alliance for Local Living Economies, reported on their proposed plans to partner with the Commission for a second year to put on the annual Shop Local First campaign and event at Union Square. He said the campaign promotes shopping at locally owned stores as opposed to chain stores, and said that it would include canvassing neighborhoods, speaking to merchants, and media and publicity to promote the neighborhood commercial corridors of the city as places to visit and do business in. He said that they would once again partner with SFLOMA (San Francisco Locally Owned Merchants Alliance) and Renaissance, adding that this year they are proposing to dedicate the entire week prior to the Saturday Union Square event "Shop Local First Week", which would comprise of several events in the neighborhoods and would be December 4 to the 9th. He reported that this year's budget for the campaign would be 23 thousand, which includes the counter cards and posters as well as increased publicity and media. He said the costs associated with putting on the Union Square event costs would be separate. Commissioner Thigpen said that this year there may also be a food component and said that she liked the idea of Shop Local First Week and events in the neighborhoods, stating that this is exactly what folks in the Bayview have expressed they need help with, adding that this would be a great opportunity to promote the Bayview and some of the other commercial corridors in need of support. Commissioner Richardson said that when she first came to San Francisco there was a distinctiveness of small bookstores to San Francisco, similar to the restaurants now, and she asked if part of the campaign slogan could be to give a book as a gift or something similar that would promote small independently owned bookstores. Don Shaffer said he thought it would certainly be possible to include this message in to the messaging. Commissioner Ventura said that he thought it was a great idea and only suggested that more outreach be done to the merchant corridors who have felt left out in the past
Commissioner O'Connor made a motion to support the continuation of Shop Local First campaign and event. Commissioner Murad seconded. Unanimously approved by the Commission.

Item 10 - New Business
Commissioner Ventura stated that he would like to follow up with the Department of the Environment and said that he would work with Agnes to schedule a meeting with DOE staff and report back to the Commission. He requested to add a review of Mayor Newsom's directive with respect to purchasing on the next agenda. Commissioner Richardson requested to discuss and perhaps invite folks from DPW to address the street lighting issue or lack thereof as it relates to her neighborhood on Fillmore and Post. Commission Secretary Martha Yanez requested to place on the agenda an update from UCSF on their Business Development Program per request from Lisa Gray of UCSF. Commissioner Thigpen requested to have a preliminary report on the Bayview community meeting that took place August 21st. Commissioner O'Connor suggested that individual commissioners take the lead to schedule meetings in their respective communities or communities of their choice. Commissioner Richardson said that she was impressed with two youngsters that are interns at the Youth Commission and she suggested that the Commission consider getting some youth interns as well.

Item 11 - General Public Comment
No public comment at this time.

Item 12- Adjournment
Commissioner Ventura made a motion to adjourn. Commissioner Chiu seconded. Unanimous approval from the Commission. The meeting was adjourned at 6:54 P.M.

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SMALL BUSINESS COMMISSION
NOTICE OF SPECIAL* MEETING & AGENDA

SF
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Special

MONDAY, OCTOBER 2, 2006
5: 30 P.M.
CITY HALL, ROOM 408

1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102
(*Please note this does not fall on our regular meeting date and room number)

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE SEPTEMBER 11, 2006 MEETING MINUTES** (Action Item)

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **PRESIDENT'S REPORT:** Allows the President to report on recent small business activities and make announcements (Discussion Item)

5. **VICE PRESIDENT'S REPORT:** Allows the Vice President to report on recent small business activities and make announcements (Discussion Item)

6. **DIRECTOR'S REPORT:** Allows the Director to report on recent small business activities and make announcements (Discussion Item)

7. **EXCLUDING GENERAL GROCERY STORES FROM THE DEFINITION OF FORMULA RETAIL:** Presentation, discussion and possible action on proposed Ordinance amending Planning Code Section 703.3 to exclude general grocery stores from the definition of formula retail use; and making findings, including environmental findings and findings of consistency with the General Plan and priority policies of the Planning Code Section 101.1. Presentation by the Office of Supervisor Elsbernd (Discussion/Action Item). Explanatory Documents: File No. 061260

8. **ZONING–CONDITIONAL USE FOR CHANGE IN USE OR DEMOLITION OF A GENERAL GROCERY STORE USE:** Presentation, discussion and possible action on proposed Ordinance amending the Planning Code to add Section 218.2 and to amend Sections 703.2, 803.2, and 803.3 to require conditional use authorization for any project involving the change in use or demolition of a general grocery store; amending Planning Code Section 303 to require specific findings as part of a conditional use authorization for a change in use or demolition of a general grocery store; and making findings, including environmental findings and finding of consistency with the General Plan and priority policies of the Planning Code Section 101.1. Presentation by the Office of Supervisor Elsbernd (Discussion/Action Item). Explanatory Documents: File No. 061261

9. **MAYOR'S CORRIDORS PROGRAM PRESENTATION:** Presentation, discussion and possible action on the Mayor's new citywide initiative to clean-up commercial corridors. Presentation by Mohammad Nuru and Ahsha Safai of the Department of Public Works (Discussion/Action Item).

10. **UCSF COMMUNITY PARTNERSHIPS PROGRAM, BUSINESS DEVELOPMENT PROGRAM:** Presentation, discussion and possible action on UCSF's Business Development Program. Presentation by Lisa Gray, UCSF Community Partnerships Coordinator (Discussion/Action Item).

11. **TRANSFER OF DISTRICT DIRECTOR OF THE SF SMALL BUSINESS ADMINISTRATION (SBA):** Presentation, discussion and possible action on the proposed transfer of Mark Quinn, District Director of the San Francisco SBA (Discussion/Action Item).

12. **PROPOSED AMENDMENT TO THE RULES OF ORDER OF THE COMMISSION TO ADOPT POLICIES REGARDING COMMISSIONERS' ATTENDANCE AT MEETINGS:** Presentation, discussion and possible action for the Commission to amend the Rules of Order to reflect the addition of an attendance policy per Board of Supervisors Resolution No. 502-06 (Discussion/Action Item). Explanatory Documents: Proposed Attendance Policy Language

13. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the commission (Discussion Item)

14. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

15. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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SMALL BUSINESS COMMISSION
NOTICE OF *SPECIAL MEETING & AGENDA
**AMENDED

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amended

MONDAY, OCTOBER 2, 2006
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

09-28-06A08:24 RCVD

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE SEPTEMBER 11, 2006 MEETING MINUTES** (Action Item)

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** Please note this meeting is not scheduled on our regular meeting date (second Monday); and*
*** Please note the location has changed and the meeting will now be back in our regular meeting location, Room 400*

9. **MAYOR'S CORRIDORS PROGRAM PRESENTATION:** Presentation, discussion and possible action on the Mayor's new citywide initiative to clean-up commercial corridors. Presentation by Mohammad Nuru and Ahsha Safai of the Department of Public Works (Discussion/Action Item).

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City and County of San Francisco
Small Business Commission

October 02, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, October 2, 2006 5:30 PM

Small Business Commissioners

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

Members Absent: Commissioner Alberts, Commissioner Chiu, Commissioner Richardson

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Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, October 02, 2006 in special session. Commissioners Alberts, Chiu, and Richardson were not in attendance but excused due to this being a special meeting. The meeting was called to order at 5:46PM. A quorum was not in place until 5:58PM, when Commissioner O'Connor arrived.

Item 2 - Approval of the September 11, 2006 meeting minutes
Commissioner O'Connor made a motion to approve the September 11, 2006 meeting minutes as submitted. Commissioner Murad seconded the motion. The meeting minutes were unanimously approved by the Commission.

Item 3- General Public Comment
No public comment at this time.

Item 4 - President's Report
President Thigpen announced that planning for Shop Local First is moving right along. She reported that the Department of the Environment Green Business Program would be certified new businesses either November 3rd or the 10th at the Grand Café from 5:30-7:30PM. She also read a report from Commissioner Alberts on her recent efforts via her International Business Task Force, including an upcoming event with Russian business leaders.

Item 5- Vice President's Report
No Vice President's Report at this time.

Item 6 -Director's Report
Director Briones Ubalde reported that the Health Department would be hosting a Flue Pandemic event at the State Building for businesses on October 23rd from 12:30pm-6PM. She also announced the Bay Area Capital Connections event to be held on Thursday, November 9, 2006. She said folks could go to www.forcommunitydeveloment.org for more information.

Item 7 & 8 - Excluding General Grocery Stores From The Definition Of Formula Retail; and Zoning-Conditional Use For Change In Use Or Demolition Of A General Grocery Store Use
Supervisor Elsbernd stated that the two items stem from a series of supermarket closures throughout the city, particularly one in his district. He said that the supermarket closures have been an issue of great concern to many and explained that after discussions with the Mayor's Office and others, he came up with the two pieces of legislation as a way to help the current situation. He explained that the first legislative item excludes grocery stores from the definition of formula retail, stating that the intent is to understand that formula retail conditional use adds about three or four months to the process of an entity coming into a space. He said that he has learned that while there are concerns about what grocery store goes into a neighborhood, it is most important that one goes in. He explained that the neighborhoods are dealing with blighted areas and lack of services in their neighborhoods, adding that he feels that the current discretionary review is enough to address concerns over what kind of use is going in. The second piece of legislation is the flip side of that, which he said addresses the concerns of the neighborhood that a space the size of the current vacancies would be turned into something other than a grocery store, such as a Big 5 Sporting Good, or even worse, that the spaces would be divided into smaller spaces and there would be five nail shops for example. Thus the thrust of the second piece of legislation is that if a grocery store is going to be closed, any use that is not a grocery store wanting to go into that space would have to go through the conditional use process. He said that this is a proactive piece of legislation, and not something they necessarily anticipate property owners to do. He explained that this would need to be reviewed by the Planning Commission before being considered at the Board of Supervisors since it would be a change to the Planning Code, thus he said it would be at least a couple months before it would be before the full Board. **Commissioner Murad** asked if this would apply to a certain square footage. Supervisor Elsbernd said that it would and it is defined in the formula retail Section 790.102, although he did not have those numbers with him. He did however say that it will not apply to the corner liquor stores, but rather larger spaces. **President Thigpen** asked how this might affect projects currently in the pipeline. **Supervisor Elsbernd** said that there is no language in it which addresses retroactivity and said that he was somewhat concerned with the current project out on Alemany. **Mark Christiansen**, President of the Park Merced Neighborhood Association expressed his support for both items 7 and 8 on the agenda, stating that they do want to make sure that there are supermarkets and chains that remain in San Francisco. He said that while they were originally opposed to the housing piece of the development on Alemany and not the supermarket, they are now left with the four story structure and no supermarket for the people out there. **Steve Hidey** also of Park Merced Neighborhood Association stated his support for Supervisor Elsbernd's proposed items 7 and 8 under consideration. **Commissioner O'Connor** asked the Supervisor if he was aware of the proposed project on Stanyan and Haight Ashbury, which this would fall under. **Supervisor Elsbernd** said there were two things, stating that since it will be grocery use to grocery use, the conditional use would not apply, however he said that since the area is subject to formula retail restrictions and the proposed Whole Foods falls under the formula retail definition, it would otherwise be subject to it, but with this proposed legislation in place, the Whole Foods component of the project would not have to go through that process.
Commissioner Ventura made a motion to support both proposed Ordinances, File No. 061260 and 061261. Commissioner Murad seconded. Unanimous approval

from the Commission.

Item 9- Mayor's Corridors Program Presentation
Mohammed Nuru, of the Department of Public Works talked about the Mayor's new Corridors Program which was recently launched. He said it came about from discussions about what the city could do to clean the city. He said that they worked very closely with the Mayor's Office and submitted a list of the worst 300 city blocks, from which they selected 100 blocks to focus their efforts on. He said the idea is one that has been used in many great cities including Paris, Shanghai, and Hong Kong, and is the concept of having a block sweeper who will be responsible for keeping the block clean, including making sure the tree wells are maintained, looking out for graffiti among other things. Basically have a presence in the corridor and developing relationships with the merchants who also play a big role in the corridor. He said that the block sweeper would be on site during peak hours including Thursday through Monday 12 Noon to 9PM, adding that this is when most people are out shopping and doing their business. He said that one of the goals with the program is to measure the effectiveness of the program and said that they are working with the Controller's Office to design such a system. He mentioned Prop. C, which passed previously and which created some standards to measure the cleanliness of streets and trash receptacles, and the response time to graffiti, stating that this program would add standards, including having inspectors measuring the standards.
Another goal of the program he said is to work with the property owners and business owners in the corridor to educate them about maintaining a certain standard of cleanliness. He said this would include educating them to be able to identify who owns what on the street so that they know who is responsible for the maintenance. For example, what poles are PUC poles as opposed to PG&E should they have graffiti on them, this way having them participate in the program. Yet another component of the program is a spruce up of the corridor involving all the agencies that have an interest or responsibility in the corridor, stating that the first spruce up had taken place that morning. He passed out an agenda of planned spruce up dates and locations. He said that as they go forward with this and to ensure long term success they would be seeking the Commissions support in the form of endorsing or supporting a proposed Blight Ordinance that would create cleanliness standards and expectations for building facades etc. He said that they would also be working with a contractor that would in turn work with property owners to abate graffiti on their property, and said that there would be a zero tolerance for graffiti, adding that they would see how cost effective it is to have this contractor be responsible for an area of the city. He said that they are excited about the program, stating that it has brought 20 jobs to the agency, which will allow them to really clean up the neighborhoods. He said that they have also been involving the Mayor's Office of Economic Development to talk about Community Benefit Districts and the benefits of forming a CBD. Finally he said they would be putting together a report highlighting the outcomes of the program and if it proves to be successful, which he said they believe it will, they would hope to continue the program in other neighborhoods. Currently he said that each Supervisorial district was represented in the program. Ahsha Safai of DPW reiterated a lot of what Mr. Nuru stated, but added that for every 5 blocks there would be one street sweeper. Furthermore he talked about the series of community meetings that would be taking place with merchants and property owners to tell them about the program and how they can get more information and or get involved. He stated that it is a pilot program and said that it is scheduled to run from October 1st until June 30th. President Thigpen asked how this program will work with the current news rack program, which will replace existing news racks with the green city seal news racks. She said news racks seems to be a constant problem. Ahsha Safai said that over the next 18 months there will be a rollout of replacing all the old news racks with the custom green city logo news racks. President Thigpen asked about the pooling of resources and what seem to be duplicative efforts via this program. She asked how it would be ensured that resources are not wasted. Ahsha Safai mentioned a deficiency list that they created by walking all the corridors with representatives from the

various public and private agencies that have responsibilities in the form of street furniture on the public right of way, by noting all the things that need to be fixed and giving them a deadline. **Mohammed Nuru** added that this is where the street sweeper comes into play, stating that he or she on a continuing basis would note the problems in the corridor and contact the appropriate agency for abatement. **President Thigpen** asked how DPW via the corridors program will work with the Department of the Environment to ensure sustainability and green practices. **Mohammed Nuru** stated that they work closely with DOE on all their projects, whether it is the type of chemicals being used for cleaning sidewalks to the kinds of trees they plant and the soil they use. **Commissioner Murad** asked if the street sweeper has already started on Mission Street. Mr. Nuru said that they started training people and said that the real first day was yesterday. He said there are a total of 20 street sweepers, 3 of which are covering Mission Street from 13th to Cesar Chavez. **Commissioner Murad** said that he had noticed a difference on Mission Street with the poles and said that if this is what is to be expected it will be a good thing. **Commissioner Ventura** thanked Mr. Nuru and DPW for bringing this to their attention, stating that every merchant has the same complaint concerning cleanliness and graffiti abatement no matter what part of the city. He said he was happy to see this problem addressed, and said that having the street sweeper out there on the street would also hopefully lead to increased safety in the corridors. He offered to work together with DPW and the various agencies on this program. **Commissioner O'Connor** also thanked city staff for putting the program together and said that it speaks to the fact that small businesses are the front line when dealing with neighborhood issues. He said that he hoped that merchants would take advantage of the program and the benefits that will come of it. **Mohammad Nuru** said that one challenge is getting the cooperation of the property owners since many of them are absentee landlords, meaning they do not live in the city and are hard to locate and get a hold of. Monika Hudson, Director of the Bayview Business Resource Center congratulated the department and the Mayor's Office on putting together a coordinated program, because of the fact that many agencies have responsibility for the many things on the corridors, and she said being able to bring them all together is a huge undertaking. She asked to follow up on a couple of items, the first being the meetings and scheduled clean ups which are quickly approaching and she encouraged the Commission to help get the word out about the program and schedule. She also addressed the long term link possibilities that may come from a program like this. She said that in the Bayview they are looking at the formation of a business industrial district, a bid, specifically to allow for putting together longer term funding to support activities like this. She urged the Commission to encourage conversations like this that would get small business people interested in talking about the long term impacts and encourage them to talk about continuing these efforts. **Mark Christianson**, President of the Merced Triangle Neighborhood Association said he did not know the item was on the agenda but said he supports it wholeheartedly. He said he is a third generation San Franciscan and he supports anything that can be done to improve the quality of life though programs like this. He congratulated everyone that is behind it this coordinated effort. **President Thigpen** thanked everyone for coming and Mr. Nuru for bringing and presenting this item to the Commission.

Item 10 - UCSF Community Partnerships Program, Business Development Program
Lisa Gray, UCSF Community Partnerships Coordinator reported that this is her annual visit to the Small Business Commission, stating that because of some turn over in the Commission she wanted to come and present herself and UCSF's program for those new members of the Commission that may not know about UCSF's Economic Development Initiative Business Development Program. She said that they are an arm of the University that provides workforce and business access opportunities for Southeast sector residents and businesses. Basically she said that means that they find entry points to employment for residents and contractual opportunities for businesses with the University. She said one of their goals is to expand the vendor and applicant pool for the University so that it is more diverse. She said that they do

this because it is part of their mission and goal to maximize opportunities for residents of neighborhoods that border their campuses. She said that they are able to do this in large part through partnerships with community based organizations in those communities and by outreaching to the business community to find out what services and products they offer that are relevant to UCSF. She said that they promote and market these businesses to the University purchasers. She said that this also involves education, going out and informing businesses how to become a vendor with UCSF as well as hosting workshops and providing technical assistance and training, including providing access to a consultant for about six months to help businesses create a customized development plan to assess their strengths and weaknesses and help them grow into a business that might be of interest to UCSF. She reported that in the last year they have completed an evaluation of the UCSF Community Partnership Program as well as come up with a strategic plan for 2006-2009, which she provided copies of. She reported that they have conducted 4 seminars in the past five years and have reached over 200 businesses. She said they found that businesses that attend their seminars have on average $21,300 in revenue as a result of what they have learned in doing business with the University. She said that they also realized that they need to revisit their customized business development program and see how they can better meet the needs of their small business owners to grow them so that they can really be part of the University system. She reported that in the next six months they would be moving forward with their online database of businesses in the Southeast sector, as well as setting goals of the number of contacts awarded with specific dollar amount and businesses outreached to. Finally she said that the target neighborhoods that they work with are Bayview Hunters Point, Visitation Valley, Potrero Hill, and South of Market and Mission to some degree, typically focusing on neighborhoods 3-5 miles from the Mission Bay campus. She said she looked forward to working with the Commission during Small Business Week and coordinating events with the Southeast sector around that and other events sponsored by the Commission. **President Thigpen** thanked Ms. Gray for her presentation and said that she appreciated the work that UCSF does and she too is looking forward to working with her during Small Business Week, and sooner during Shop Local First December 4-9, which she said Bayview merchants have expressed interest in. **Monika Hudson**, of the Bayview Business Resource Center and speaking as a member of the Small Business Advisory Council of the Chamber of Commerce said that she would be interested in getting a copy of the report and see how they might be able to move forward and help others businesses in San Francisco take advantage of this. **Commissioner O'Connor** thanked Lisa Gray for seeing this through. **Commissioner Ventura** said he appreciated to learn about the online database. **Lisa Gray** said that when the database goes live, it will include over 900 businesses from the Southeast sector including Mission and South of Market Streets.

Item 11 - Transfer of District Director of the SF Small Business Administration (SBA)
President Thigpen said that she had placed the item on the agenda because Mr. Mark Quinn, the current Director of the Northern region of the SBA and director for the past 20 years, is proposed to be transferred and replaced by a past employee of FEMA by the Bush administration. She said Mr. Quinn has a history in this area and has done a lot of good work for the Northern region, he has built positive relationships and he should stay here. She said this is her opinion and it was nothing to do with his replacement, stating that she is sure she is qualified. She said that perhaps the Commission could write a letter on Mr. Quinn's behalf and support his stay here. **Director Ubalde** stated that she drafted a letter which is pending Mayor Newsom's signature and copied congress woman Nancy Pelosi for her information at the federal level. She encouraged the Commission to support writing a letter as well. **Commissioner O'Connor made a motion to write a letter of support on Mr. Quinn's behalf to support his stay in San Francisco. Commissioner Murad seconded. Unanimous approval from the Commission.**

Item 12- Proposed Amendment to the Rules of Order of the Commission to Adopt Policies Regarding Commissioners' Attendance at Meetings
Commissioner Ventura suggested amending the proposed rules of order to require at a minimum of 72 hours notice of absence.
Commissioner O'Connor made a motion to adopt the proposed Rules of Order with the amendment to require 72 hours notice of absence. Commissioner Ventura seconded. Unanimous approval from the Commission.

Item 13 - New Business
Commissioner Ventura said he would like to place on the future agenda an item that would follow up on the community meeting in the Bayview. He also wished to place on a future agenda a report from the Department of the Environment and the Commission on their outreach efforts to small businesses regarding the energy efficiency program. He also requested an update on proposed community meetings.

Item 14 - General Public Comment
No public comment at this time.

Item 15 - Adjournment
Commissioner Ventura made a motion to adjourn the meeting. Commissioner O'Connor seconded. The meeting was adjourned at 7:26 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING & AGENDA

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MONDAY, NOVEMBER 13, 2006
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

11-09-06P01:45 RCVD

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF THE OCTOBER 2, 2006 MEETING MINUTES** (Action Item)
3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
4. **PRESIDENT'S REPORT:** Allows the President to report on recent small business activities and make announcements (Discussion Item)
5. **VICE PRESIDENT'S REPORT:** Allows the Vice President to report on recent small business activities and make announcements (Discussion Item)
6. **DIRECTOR'S REPORT:** Allows the Director to report on recent small business activities and make announcements (Discussion Item)
7. **BANK ON SAN FRANCISCO:** Presentation, discussion and possible action on San Francisco's "Bank on San Francisco", a public private partnership aimed at increasing banking opportunities for residents (Discussion/Possible Action Item). Presentation by David Augustine of the Office of the Treasure and Tax Collector.
8. **SAN FRANCISCO'S ECONOMIC STRATEGY PLAN UPDATE:** Presentation, discussion and possible action on San Francisco's Economic Strategy Plan. Presentation by Ted Egan, ICF Consulting (Discussion Item)
9. **SAN FRANCISCO'S DIGITAL INCLUSION STRATEGY:** Presentation, discussion and possible action on the City and County's development of a comprehensive Digital Inclusion Strategy in order to bridge San Francisco's digital divide. Presentation by Emy Tseng, Project Manager of TechConnect of the Department of Telecommunications and Information Services (Discussion/Possible Action Item).
10. **MEANINGFUL PAYROLL TAX REFORM:** Discussion and update on a meaningful payroll tax reform. Presentation by Commissioner Chiu and President Thigpen (Discussion/Action Item)
11. **UPDATE ON SMALL BUSINESS COMMISSION'S COMMUNITY MEETINGS:** Discussion and update on the Small Business Commission's community meetings. Presentation by staff (Discussion/Action Item).
12. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)
13. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
14. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

City and County of San Francisco
Small Business Commission

November 13, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, November 13, 2006 5:30 PM

Small Business Commissioners

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

Members Absent: Commissioner Richardson

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Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, November 13, 2006 in regular session. Commissioner Alberts was absent. The meeting was called to order at 5:42PM

Item 2 - Approval of the October 2, 2006 meeting minutes
Commissioner Chiu made a motion to excuse absences from the October meeting given the fact that the meeting was not on the regular meeting date and for this to be reflected in the minutes. Commissioner Ventura seconded. Unanimous approval from the Commission.

Item 3- General Public Comment
Fred Wallace, owner of One Big Man and One Big Truck Moving Company with 22 employees and doing business in San Francisco for over 20 years talked about an issue his company and other moving companies in the city are facing in conducting business here. He explained that San Francisco Police Department is trying to apply Police Code Section 194.3 for construction companies to moving companies and said that his drivers are being cited $642 for double parking, which he said have been dismissed in court since the law does not apply to moving companies. He said he understands that this is a public safety issue and said that they are willing to work with the Police Department to ensure public safety. He stated he met with Police Department staff and believed they had come to an agreement that they would put up cones around their trucks and post signs. He said the Police Department now seems to be back peddling, and said they are requiring them to obtain permits per moving job at total cost of $245 per job. He said that this fee would have to be passed through to the customer. He said that the Police Department is also requesting that they hire flag persons for every job and said that this is not something they could afford to do and

remain in business. He requested the Commission's assistance with this matter and said it would gravely impact his business and the other moving companies in the city as well. **Director Briones Ubalde** reported that she had met with Mr. Wallace and they would together be meeting with Department of Parking and Traffic staff to see how they could come to a resolution on this matter. **Steve Whitie**camp, President of the California Moving and Storage Association, a trade group representing approximately 450 small movers in California and 175 affiliate companies that provide service for moving companies including for example storage companies. He said he was asked to come to the meeting by his membership and said that Mr. Wallace had done a good job of explaining the issues. Furthermore he asked that the Commission do put this on a future agenda for further discussion and review because he said he was not convinced that they would come to a favorable resolution with DPT and the Police Department. He said that while they hope for the best they see these fines as onerous and selectively enforced against the licensed and legal operators in California, adding that a good part of the moving in the city is done by people who fail to comply with the law, including taxes, workers compensation and consumer protection laws. He said that the law is being enforced selectively, meaning that they are enforcing it based on legal operators because they are able to track them and they are clearly visible in the community because of the name on their trucks and they can profile them as moving companies. He said that meanwhile illegal or legal companies using U-Haul or other delivery truck could be delivering anything but they are not easily spotted and are not being enforced. He said that if this continues and the laws are enforced against the legal small operators what will be left are the illegal businesses that do not have a vested interest in the community or about safety. He requested that the Commission consider this item and help the local, legal small business moving operators in the city.

Item 4 - President's Report
Commissioner Thigpen announced that the 4th annual Shop Local First Campaign was moving forward with the Union Square event on December 9th and the week of December 4-9th Shop Local First Week. She reported that she had been attending the MUNI Transportation Advisory Committee, which the SBC holds a seat on and said that some folks on the committee have expressed an anti merchant tenor which she said is of concern to her, adding that small business is the life blood of San Francisco and a very important sector of the local economy. On another subject she introduced Alena Gilchrist of the Department of the Environment to briefly speak to the Small Business Direct Install Program. **Alena Gilchrist** reported that they have selected a contractor to run the Small Business Direct Install Program, stating that they are currently in contract negotiations but have a target start date of January 1st to hit the ground. **Commissioner Thigpen** asked who the contractor is that has been selected, and if they can meet the goal pursuant to the RFP. **Alena Gilchrist** responded stating that Ecology Action of Santa Cruz had been selected based on their good record, adding that to date they have installed 7000 businesses and they have been doing energy efficiency work in other counties in the Bay Area since 2001. With respect to the goals she said that they would be asking for quarterly goals, with a mild stone goal due in September, which will be 1/3 of the program goal deliverable to PG&E. She continued to state that at that time they would review quarterly based on the cost effectiveness of the program.

Item 5- Vice President's Report
No report at this time.

Item 6 -Director's Report
Director Briones Ubalde reported that in the packets Commissioner's should have received information about the city's combined charities, which she asked them to review and encouraged them to participate. She also pointed out a letter from Mayor Newsom regarding establishing an attendance policy for the commission and said that they may need to re evaluate the commission's current attendance policy to reflect

some of the baselines standards addressed in the letter. She spoke briefly about Shop Local First and asked everyone to come out, stating that they hope to carry out this campaign through the year. She also reported that the Commission had partnered with the Mayor's Office of Community Development to put out an employer survey that would gage employers' job training and workforce needs.

Item 7 - Bank On San Francisco
David Augustine of the Office of the Treasure and Tax Collector reported that his office in partnership with 14 local banks and the Mayor's Office recently launched Bank on San Francisco, stating that with the new program they are hoping to bank 10 thousand people in the next few years. He said that there are currently 50 thousand unbanked people in San Francisco. He thanked that Commission for their support of the legislation which created a moratorium on payday lenders, which often prey and take advantage of the fact that people are unbankable. He explained that the program would allow people who have traditionally been turned down for checking accounts to open an account. Specifically the program will accept the matricular consular or other country form of ID as ID to open a bank account, it will allow someone who has bounced a check in the past to open an account, and will not require a minimum monthly balance. Furthermore he said the program will offer financial management training. He reported that there are posters in Spanish and Chinese and they would be launching a marketing campaign including billboards on Muni. **Commissioner Thigpen** asked if there was any information on the demographics of the people who use payday lenders. David Augustine replied stating that they do and he had shared this information with the Commission when they reviewed the moratorium legislation and said that the great thing with Bank on San Francisco is that they have identified banks in all of those areas with high rates of payday lender usage. He referred the Commission and folks watching on SFGTV to the website for the program at sfgov.org/bankonsf.com. **Commissioner Ventura** asked if the participating banks are including the marketing materials in their mailers. David Augustine replied that they were and said that if anyone was interested in obtaining some mailers to include in their paychecks to employees for example, they should contact Leigh Phillips in the Office of the Treasure and Tax Collector directly at 554-4320. He also encouraged the Commission to encourage businesses in their networks to include the mailers in their paychecks to their employees to get the word out about Bank on San Francisco. **Commissioner Thigpen** suggested that the Treasure's Office come back to the Commission with a status update on the program in the near future. David Augustine said he would be happy to do that.

Item 8- San Francisco's Economic Strategy Plan Update
Jennifer Entine-Matz of the Mayor's Office of Economic Development introduced Ted Egan of ICF Consulting; the firm selected to do the Economic Strategy Plan on behalf of the City and said that he would be giving a more comprehensive analysis of the various industry sectors. Ted Egan of ICF Consulting stated that his team has been working with the Mayor's Office of Economic Development pursuant to the Prop. I mandate. He said he would be sharing some findings of their ongoing work thus far, specifically related to what they are calling the strategic priorities or strategic sectors of the San Francisco economy, ones that if you stimulate them will contribute to goals and objectives of the strategy which he said are widely shared by folks in the city. He prefaced by saying that small business cuts across all of the sectors of the San Francisco economy, stating that it accounts for almost half the employment in the city adding that the first report profiled small business in detail and said that their goals and recommendations at the conclusion of their work will focus on small business in a number of ways. For the sake of this update he said he would talk about where the study is going and take comments. He started with the goals and objectives, stating that much of the language of the goals and objectives is contained in 2004's Proposition I. He said the directive for the plan under Prop. I are to focus on sources of job creation, job and business opportunities for vulnerable populations in the city, sources of tax revenue and also strategies to protect and enhance small

businesses in the city. He said they conducted a community survey which also showed them what the plan ought to include, including: retaining existing businesses, job creation, investing in infrastructure, and encouraging stability. He said it was clear from these public meetings and focus groups that it is important to retain what we have and encourage entrepreneurship. He said that they have tried to boil down all the goals and objectives into three goals corresponding to measurable industry impacts. He said the first goal is to create job opportunities by building on the city's strength to promote greater overall economic growth. He said that they are able to look at how differing existing industries foster that to different degrees by looking at the multiplier effects such as impacts of secondary spending, stating that they have already been able to do this for every industry in the city. The second goal speaks to the fact that they need to build an economy that ensures greater inclusion and equity in job opportunities with an aim at reducing income inequality. He said that what they attempted to do to get at the issue is to identify industries that create quality job opportunities for San Francisco residents that don't have university degree, adding that about 50% of the workforce have a university degree and make on average over 70 thousand dollars per year, stating that for non degree workers the average yearly income is 30-40 thousand dollars or less. He reported that industries differ to the extent that they do provide quality jobs for residents without the degree, and said that they wanted to measure that. He said that the third goal which comes right out of the language of Prop. I is to ensure a second fiscal footing for the city by encouraging industries with a positive fiscal impact, stating that they were able to identify on an industry by industry basis, which industries will generate more tax revenue than they consume and which will have the highest positive fiscal impact. He proceeded to go over the next section which was a measure of the three impacts for all the industries in San Francisco that have over 500 employees looking at the major sectors. He began with the blue collar looking at construction, manufacturing, wholesale, trade and transportation, stating that many of these have very high impacts. He said they have high impacts for two reasons, those being that they tend to have high multiplier impacts, so that if you can grow manufacturing and construction in the city it will have lots of follow up opportunities for other businesses. He said that they also tend to do very good in terms of their middle income job impacts, providing above average salaries for people without a university degree. Next he said that they looked at retail trade and said that the high impact in these trades has to do with the fact that they are high generators of taxes and have a high fiscal impact on the city. He said that the multiplier effect were not as high as other industries for the retail trade. Another sector that they looked at was the information sector, or advanced service sector, which has a very high multiplier effects for these industries, generating lots of additional jobs for the city and surprisingly high opportunities for people without a university degree. He said that the same is true for the financial, professional, business, environmental services, all of which scored quite high in terms of their impact analysis. The last sector they looked at was essentially the remainder of the services sector including hospitality, education, health and other social services, stating that many of these ranked low in terms of their impact because they are tax exempt, thus their multiplier effects were also low. However he said that industries such as tourism and arts as well as health had high impacts. To summarize he said that to the extent that the city is able to develop the high impact industries, it will mean matching the city's economy to that stated in the goals and objectives, meaning more jobs, better job opportunities for low income residents and more revenue to fund public services. However he said that they can't simply recommend doing those high impact industries in a vacuum without looking at the question of how easy it is for the city to encourage that they grow in San Francisco and see to it that it happens. He stated that this is where they began to look at how the San Francisco economy works, which is the second half of their work thus far. He said that like all cities, San Francisco's economy rises and falls based on trading with the outside world, stating that there has been a trend in upwards importing which will continue, stating that the key will be to make the export activities more competitive which will generate economic growth and bring

the income in from outside that will filter throughout the economy as a whole. He said that the export base for San Francisco has become very narrow and is primarily in the financial and professional services sector and some tourism activities. Things like securities, banking etc, where as the imports are things that are not made here such as energy, raw goods and so forth. To summarize he said that San Francisco's economy is like an engine, taking in energy, people, manufactured goods and does things to them and then sells to the rest of the world things like financial and professional services, high technology, media and tourism, stating that what is key for San Francisco is to know what is going on in that activity because therein lay the dynamics. He said that they would argue that the structure of the San Francisco economy is set up so that there are two things that it does. First there are a set of industry clusters that are related to knowledge generation, including the financial and professional services, IT, new media and emerging industries among others, while quite diverse all generate economic value based on knowledge. The other set of industry is based on experience generation, the value that the city is able to generate by providing an experience to visitors, stating that it is tourism and much broader than that. He said that these two things, a knowledge and experience generating sector are what San Francisco exports, adding that a major part of the city's economy is an infrastructure that supports those activities. He said this often fall into two parts, a human infrastructure which is a set of services such as health, education and social services, and a physical infrastructure related to the operation of things, like construction, transportation, manufacturing and maintenance and repair. He said that we need to consider the dynamics of the four segments to understand the viable source of economic growth for San Francisco. He said that all four are vital but they have been growing at different rates and this is an important fact that we should understand. He went on to talk about the performance of the knowledge and experience sectors and how they grow in cities, showing a series of slides (available at www.sfgov.org/moed) in which they examined the recent job performance of industries within these sectors and the kinds of jobs they require, as well as some conclusions related to strategic directions for them. In addition, industries within the two local-serving sectors-physical and human infrastructure will be profiled to see how well their growth is matching the growth in the export sectors. In conclusion he stated that there are four key strategies for San Francisco's economic future including, strengthen the linkages between the local-serving industrial sector and growing elements of the export base; continue to invest in, and diversify, the engines of innovation in the knowledge sector; retain growing knowledge sector companies within San Francisco to retain mid-level occupations; and raise the value in the experience sector to increase revenue and expand the range and wages of jobs. If San Francisco can do those four things successfully, he said it will create an economic dynamic that will maintain and enhance the viability and diversity of San Francisco's export base and ensure stable economic growth; maximize the retention and creation of middle-income occupations in San Francisco, reducing income inequality; and support the development of industries with a positive fiscal impact on San Francisco. Commissioner Thigpen asked how a strategy of meshing these two thing, tourism and maintaining small businesses work. Ted Egan stated that San Francisco is not like Las Vegas or Orlando which are both destination cities, meaning that it was not built for tourists as those cities were. He said he thinks there are a lot of opportunities to do that here. Commissioner Thigpen asked how the rezoning of the Southeast sector will work into the plan or visa versa. She encouraged his team to work closely with the Planning Commission as well as with the Mayor's Office of Economic Development. Commissioner Chiu said that there has been some concern or at least debate over incentives for certain industries and not for others, and asked given the industry sectors that have been identified, if they will propose incentives that focus more broadly on these knowledge and experience sectors. Ted Egan said that as a general rule economic strategy should not boil down to tax incentives and said that their recommendations will not be focused on any one thing but rather on overall things that the city could do from a positive investment point of view that will attract and develop industries here. Commissioner Chiu asked what are some non tax

incentives that might be recommend. **Ted Egan** responded stating that non tax incentives would be along the lines of improving quality of life and workforce housing and the like.

Item 9- San Francisco's Digital Inclusion Strategy
Emy Tseng of DTIS said that San Francisco's Digital Inclusion Strategy would benefit businesses, city departments, non profits, students and teachers alike, stating that more and more the internet is needed for basic stuff. For example, she said that college applications are required to be done online, stating that this will serve those that need it the most, the poor and minorities. She said that mobility is key to this service, stating that it could be used anywhere. She explained that the major components are the content and applications, training and support, including neighborhood based programs, computers and hardware. She said it would be a public private partnership, with EarthLink expected to deploy and operate city wide wireless network. She said the services would include fee (Google) web email, affordable, at roughly $20 video and music features. She said the private public partnership would minimize the city's cost and the technical, financial, and legal risk to the city, as well as leverage technology expertise of innovative companies. She said that the status of the strategy at the current moment is that there is a draft available on which they hope to get comments on up until the 22nd of December perhaps longer thus the reason for coming to the Commission. **Commissioner Murad** asked if there would be no cost to the city because of the partnership. **Ms. Tseng** said that was indeed correct, stating that in fact the private companies would compensate the city for use of the right of ways like poles and the like if the contract were to go forward, stating that they are still under negotiations. **Commissioner Chiu** asked what type of feed back they would be seeking from the Commission. **Emy Tseng** said that they are looking to get input from small businesses on ways that they might leverage the network. She said that they have a meeting scheduled for the 2nd week in January with the Bayveiw Small Business Resource Center and they would love to speak to other small business groups and said that to the extent that the Commission could help them identify some folks that would be helpful. **Commissioner Thigpen** asked what the next steps would be after they gather input. **Ms. Tseng** stated that the Board of Supervisors is due to hear the item in January or February, pending a 30 day review. **Bahia Murad**, a member of the public asked how they would get computers to the most vulnerable population, including people who are trying to pay the rent and put food on the table. **Emy Tseng** said that they understand that this is a problem and they see this as a social justice issue, but said that they also believe that some of these social ills have been caused by the divide and they hope to remedy some of these issues by bridging the digital divide. She said that they would certainly try to get cheap affordable computers for this aspect of the population. She asked that the Commissioners review the strategy and consider endorsing it. **Commissioner O'Connor made a motion to support the continuation of Shop Local First campaign and event. Commissioner Murad seconded. Unanimously approved by the Commission.**

Item 10 - Meaningful Payroll Tax Reform
Commissioner Thigpen stated that a proposal had come forth earlier in the year from Supervisor Peskin's office which was not properly vetted in the community, stating that this is a problem and said that they agreed to look at this matter further. She stated that she met with Supervisor Peskin as well as the Controller's office and said that the feeling was that it was important to the small business community and said that they discussed forming a committee to look at the process over the next two years. She said that in two years if this goes to ballot, it would require two thirds vote and said that two years is appropriate to review this process. **Commissioner Chiu** said that there was a discussion and need to collect more data that is necessary to do a good thorough review. He said that they would need public input to find out what they ought to be collecting and said they want to hear from the public, the small business owners. He said that Supervisor Peskin has agreed to draft legislation

that would require the collection of data prior to any new taxes. **Jennifer Entine Matz** said that the Mayor's Office of Economic and Workforce Development would support the collection of data, a more robust effort at least, stating that it is what they need to go forward.
Commissioner Chiu made a motion to support the concept of collecting the necessary data around the impact of the various taxes before any significant changes to the tax structure are made and in order to make smart decisions on future tax structure. Commissioner Thigpen asked to include the notion to support the creation of a committee to review tax structure. Commissioner Ventura seconded the motion with the amendment to support the creation of a committee. The Commission unanimously approved the motion.

Item 11 - Update on Small Business Commission's Community Meetings
Director Ubalde reported that the Commission had previously discussed holding some meetings out in the community because they felt it was important to hear first hand from the community. The first such meeting was held in the Bayview, which she said was successful. She said that she had been in discussions with Commissioners on follow up items to that meeting and reported that she had spoke to Monika Hudson who told her that there is a directory of businesses for the Bayview in a hard copy format, but said that they are interested in getting creating an electronic version that would be more easily and readily accessible. **Commissioner Ventura** suggested following up with Monika Hudson to further discuss how to make this happen. **Director Ubalde** stated that the other issue is how to proceed with these community meetings, stating that they take a lot of planning to execute. **Commissioner Ventura** suggested perhaps each commissioner take on the responsibility of leading one meeting in their neighborhood. He opted to lead one for the Tenderloin neighborhood in February. Commissioner Chiu said that he was happy to take on Chinatown in April. **Commissioner Murad** offered to take on one in the Mission in June. **Commissioner O'Connor** offered to possibly take on one such meeting in the Haight in September.
Commissioner Ventura made a motion for the Commission to commit to delivering four merchant neighborhood meetings and for staff to work with the commissioners to make it happen. Commissioner Chiu seconded the motion. The motion was unanimously approved by the Commission.

Item 12 - New Business
Commissioner Alberts pointed the commissioners to a report she created which details what the International Task Force is doing in terms of providing services, stating that they have been working very hard with the Ukrainian government in order to target certain kinds of small businesses that would be of interest to them. She reported that as a consequence of meeting with them they have developed questions that were sent to the Ukrainian government, and said that they are very interested in five items, of which they will focus on two, including alternative sources of fuel and energy and land pollution remediation. She asked that anyone with interest in doing business with the Ukrainian government on these fronts should contact her for additional information. She also reported that she recently represented Mark Chandler of the Mayor's Office at the Russian American Pacific Partnership and said that Mayor's staff was very helpful in translating a description of services into Russian which was subsequently included in a packet received by all attendees. She thanked staff for their work on this and she requested to include her report as new business on the next agenda. **Commissioner Thigpen** requested to put the attendance policy back on the agenda for December stating that it needed to be amended to reflect reporting of attendance to the appointing authority. She also requested to place on the agenda the report on the executive director. **Director Ubalde** requested to place on the December agenda her annual report.

Item 13 - General Public Comment
No public comment at this time.

Item 14- Adjournment
Commissioner Chiu made a motion to adjourn. Commissioner Ventura seconded. Unanimous approval from the Commission. The meeting was adjourned at 7:51 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING & AGENDA

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MONDAY, DECEMBER 11, 2006
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE NOVEMBER 13, 2006 MEETING MINUTES** (Action Item)

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **COMMISSIONER'S REPORTS:** Allows the President and other commissioners to report on recent small business activities and make announcements (Discussion Item)

5. **DIRECTOR'S REPORT:** Presentation of Director's Annual Report, and allows the Director to report on recent small business activities and make announcements (Discussion Item). Explanatory Documents: FY 06-07 Report.

6. **PROPOSED AMENDMENT TO RULES OF ORDER ARTICLE III – MEETINGS, SECTION 10. ATTENDANCE AT MEETINGS:** Presentation, discussion and possible action for the Commission to amend the Rules of Order to reflect the addition of an attendance policy per Mayor's Sample Attendance Policy and the Board of Supervisors Resolution No. 502-06 (Discussion/Action Item). Explanatory Documents: Proposed Attendance Policy Language

7. **PLANNING DEPARTMENT'S ZONING CONTROLS IN THE INDUSTRIAL DISTRICTS OF BAYVIEW HUNTER'S POINT:** Presentation, discussion and possible action on Planning Department's current proposal to update the zoning controls in the industrial districts of Bayview Hunters Point (Discussion / Possible Action Item). Presentation by Jon Lau, San Francisco Planning Department.

8. **STATUS UPDATE ON CONSULTANT SELECTED FOR ENERGY EFFICIENCY PROGRAM AT THE DEPARTMENT OF ENVIRONMENT:** Presentation, discussion and possible action on the selection of consultant / vendor to implement energy efficiency program and outreach to small businesses at Department of Environment (Discussion / Possible Action Item). Presentation by Cal Broomhead and Alena Gilcrest, San Francisco Environment.

9. **DISCUSSION OF THE PROPOSED GEARY AND VAN NESS BUS RAPID TRANSIT STUDIES:** Presentation by David Heller, representing the Geary Street Merchants Association (Discussion /Possible Action Item).

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10. **MEANINGFUL PAYROLL TAX REFORM DISCUSSION:** Discussion and update on a meaningful payroll tax reform. Presentation by Commissioner Chiu and President Thigpen (Discussion/Possible Action Item)

11. **DISCUSSION AND POSSIBLE ACTION ON FILE NO. 061432** [Ordinance amending the Administrative Code to add Section 6.25 to require City Contractors to adopt clean construction practices including biodiesel fuel and emissions controls within one year; amending the Administrative Code to add Section 6.67 to allow City departments that are authorized to award public works contracts to compare bids on the basis of clean construction practices; and amending the Environment Code to add Section 411 to urge City departments with off-road construction equipment to apply for funding to retrofit or replace such equipment, to authorize the Department of Environment to assist local businesses in applying for such funding, and to require annual reporting. (Discussion/Possible Action Item). Explanatory Documents: File No. 06142.

12. **IN MEMORIUM CERTIFICATE TO HONOR JAMES KIM, SMALL BUSINESS OWNER:** Request for staff to craft a Certificate of Honor for Mr. Kim who tragically passed away in a heroic effort to provide aide to his wife and two daughters while stranded in the Pacific Northwest. Mr. Kim was an executive at CNET a local San Francisco firm and family owner of Doe (Haight Street) and Church Street Apothecary (Noe Valley). (Discussion / Action Item).

13. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

14. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

15. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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Office: (415) 554-7724
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E-Mail: sotf@sfgov.org

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Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

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Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

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SMALL BUSINESS COMMISSION

NOTICE OF PROPOSED AMENDMENT TO RULES OF ORDER

TO BE ACTED UPON AT THE REGULAR MEETING OF MONDAY, DECEMBER 11, 2006
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

This notice is issued pursuant to Article VI – Amendment of Rules of Order of the San Francisco Small Business Commission requiring circulation of proposed amendments in writing to all Commissioners and notice to the public at least ten (10) days prior to such meetings.

The following provision of Article III – Meetings, Section 10. Attendance at Meetings of Rules of Order is proposed as the following amendment, but subject to further amendments by the Commission pending review and discussion at scheduled meeting. Complete agenda to follow next week.

Section 10. Attendance at Meetings

Unless excused, all members of the Commission shall be in attendance at the hour appointed for each regular meeting *and special meeting* of the Commission. A minimum of 72 hours prior notification to Commission staff of absence from a Commission meeting constitutes an excused absence. If a Commissioner misses three or more ~~regularly~~ scheduled Commission meetings in a calendar year, unless the absence is excused for any reason other than illness, death in family, or planned vacation, the Commission President shall notify the Commission, the Mayor, and the Clerk of the ~~Rules Committee of the~~ Board of Supervisors of the Commissioner's lack of attendance. *At the end of each fiscal year, the (Commission President or Secretary) shall submit a written report to the appointing authorities of the Commission's membership detailing each member's attendance at all meetings of the Commission for that fiscal year.*

Note: Additions are *single-underline italics Times New Roman*;
Deletions are ~~*strikethrough italics Times New Roman*~~

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City and County of San Francisco
Small Business Commission

December 11, 2006

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, December 11, 2006 5:30 PM

Small Business Commissioners

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director - Agnes Briones
Commission Secretary - Martha Yañez

Members Absent: Commissioner Alberts and Commissioner Ventura

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Call to order:
Item 1 - Roll Call
The Small Business Commission met on Monday, December 11, 2006 in regular session. Commissioner Alberts and Commissioner Ventura were not in attendance but their absence was excused. The meeting was called to order at 5:40PM

Item 2 - Approval of the November 13, 2006 meeting minutes
This item was tabled until the next meeting of the Commission.

Item 3- General Public Comment
There was no public comment at this time

Item 4 - Commissioner's Report
Commissioner Thigpen reported that the Commission had hosted its 4th annual Shop Local First Campaign and celebration on Saturday, December 9th at Union Square. She reported that the event was successful albeit a bit windy. She announced that BALLE would submit a full report to the Commission with outcomes and said that perhaps next year they might add another aspect to the campaign by promoting "Eat Local First". With respect to her annual repot to the Mayor she announced that she would have it at the next meeting. She reported that the SBC holds a seat on the Health Access Council, but said that there had been some confusion and no one had been attending these meeting. She was happy to report that the problem had been addressed and she would begin to attend these meetings on behalf of the SBC and report back to the Commission.

Item 5 -Director's Report
Director Briones Ubalde stated that all Commissioners should have received a copy of

her report. She said she would not go over it all, but rather would entertain any questions on it. Commissioner Thigpen asked if the report would be available on the website. Director Ubalde stated that this could be done. Commissioner Richardson asked when Form 700's are due. Deputy City Attorney Alicia Cabrera responded stating that they are due April 1st.

Item 6 - Proposed Amendment to Rules of Order Article III - Meetings, Section 10. Attendance at Meetings

Commissioner Thigpen stated that this item was back on the agenda because the reporting of attendance to the appointing authority was omitted. She suggested adding that Commissioners ought to be present for a minimum of 75% of action items in order for attendance to count. Commissioner Richardson said that this is reminiscent of big brother and said that there seems to be a contradiction in this need to report how many times each Commissioner missed the meetings particularly when the voters of the city had to pass a law requiring the Mayor to meet with the Board of Supervisors, stating that there is a contradiction in that to her.
Commissioner Thigpen reminded the Commissioners
that the policy must remain within the Mayor's guidelines. Commissioner O'Connor said that he felt that attendance was important and ought to be a priority, adding that the Commission only meets once a month and said that he was comfortable with the amendments.
Commissioner Chiu stated that he was comfortable with the proposed amendments at this point and offered a motion to adopt the amendment without any changes. Commissioner Richardson seconded the motion. Unanimous approval from the Commission.

Item 7- Planning Department's Zoning Controls in The Industrial Districts of Bayview Hunter's Point

John Lau, coordinator for the Planning Departments long term planning work in Bayview Hunters Point (BVHP). He stated that the department is engaged in a number of efforts in the BVHP area, adding that they work closely with their sister agencies including the Port, Redevelopment Agency and the Project Area Committee (PAC). He said that they wanted to come before the commission to present and discuss one component of their work which is nearing a full draft proposal stage. He said that they are approaching a series of hearings at the Planning Commission and as part of their ongoing outreach efforts they felt it would be appropriate to bring it to the Small Business Commission as it might be of interest to the Commission. He distributed a 4 page summary of the zoning update he would be presenting and said it is also available on the Planning Departments website at www.sfplanning.org. He said that they are working on a set of planning code amendments that would slightly revise language controls for industrial districts in Bayview Hunters Point. He pointed to a map of the area and said that these are currently industrially zoned areas and said that there are current policies in place that they would like to work to standardize and codify a number of overlapping policies that talk about retention of this space for light industrial businesses, industrial activities, which they believe often align with the needs of small businesses. He said that there are two primary objectives behind their work, one being to retain space for light and contemporary industrial businesses and the jobs they provide, and to reduce land use conflicts in BVHP, which is a major issue for the community. He reported that the areas in blue on the map which are included in the proposal are host to over 1200 businesses representing about 15000 jobs. He said that many of these businesses are limited to one type and said there is limited space for these types of businesses in the city due in large part to housing development and retail. He said this is an effort to clean up the land use control and retain space available for the businesses that are there now with the expectation of helping to grow these businesses in the future. He said that their rezoning effort is essentially an implementing action supported by their general plan. He explained that earlier in 2006 the department had gone through a process of working with the community and updating what is known as the Bayview Hunters Point area plan, a

chapter of the city's general plan and said that it is a policy document that speaks broadly about a number of issues such as transportation, urban design, land use and open space, adding that two of the primary themes in it are again the objectives previously outlined. He explained that the amendments to the code that would achieve that are restrictions on new residential development, restrictions on non accessory retail and office space over 2500 square feet. He said that the area in question is not residential to begin with and said that they are clarifying the language controls. He offered to come back to the Commission in the near future as this goes through the hearing processes at the Planning Commission to the degree the Commission is interested in these zoning changes and feels they may want to make recommendations to the Planning Commission on these proposed amendments. Commissioner Thigpen asked what if any collaboration has taken place with the Department of the Environment and Mayor's Office of Economic and Workforce Development. Mr. Lau said that they are taking great efforts to coordinate with both agencies, adding that there is an ad hoc group of folks from all these agencies that meet to discuss some of the economic development issues specifically in the 3rd Street corridor per the recently approved Redevelopment Plan for the area which has an emphasis on economic development in the area. Additionally he reported that many of these agencies have a seat on the Back Street Business Advisory Board, which is large part is also focused in this area of the city. Commissioner Chiu asked Mr. Lau to characterize their discussions with the business community and asked if there were any issues that they raised and what is there overall feel regarding the amendments. John Lau stated that there are always outstanding issues and said that it has been challenging engaging the industrial business owners in the process, but said that those that they have talked to have been very helpful and expressed some of their concerns over how much space to retain and where to draw the boundaries. Some other issues have to do with rents and property owners holding off for residential development, stating that these amendments should help in that regard. Commissioner Richardson asked about the wastewater facility and where it fit into the plan. She asked if it would be feasible to require large environmental firms to contribute to a large healthcare facility. Mr. Lau stated that there is an ongoing conversation to this regard, but said that they have not asked for any changes and amendments, adding that there would be follow up
conversations to get to the best use for this area. As far as the health care facility, he said there is an existing Southeast facility and said that the Planning Department would not be opposed to its expansion, but said they would not explore the possibility of companies giving money for such a cause, stating that it would be out of their jurisdiction. Marc Klaiman, owner of Pet Camp in the Bayview stated his support for John Lau and his efforts, and asked the Commission to support their efforts as well. Michael Janis of the San Francisco Produce Market asked the Commission to support the work of the Planning Department and to stay engaged with them through this process. Commissioner O'Connor said that the spirit of this work is to retain jobs in the city and he thanked Mr. Lau and the Planning Department for their work. Director Ubalde asked when this would go before the Planning Commission. Mr. Lau said there would be an informational hearing on January 18 with final action not likely for a couple months thereafter.
Commissioner O'Connor made a motion to support the updated land use control revisions as presented in an effort to save industrial jobs in San Francisco. Commissioner Chiu seconded. Unanimous approval from the Commission.

Item 8- Status Update on Consultant Selected for the Department of the Environment's Energy Efficiency Program
Alena Gilchrist of the Department of the Environment thanked the Commission for their interest stating that they are still under contract negotiations. She said that they selected Ecology Action out of Santa Cruz, stating that they started in 2001 and said that they have been doing energy efficiency work in other countries in the Bay Area including non English speaking communities. She said they have a good track record with over 7 thousand installations done thus far With respect to the goals she

said that they would be asking for quarterly goals, with a mild stone goal due September 30th, and then extended based on cost effectiveness. She said the focus would be on lighting and refrigeration. Commissioner Thigpen on behalf of Commissioner Ventura expressed concern over the fact that many small businesses were not able to take advantage of the previous energy efficiency program due to some restrictions in the program. She explained that he would also like to work more closely with the Department of the Environment this time around and asked how that might happen. Alena Gilchrist said that they have a couple ideas, including for the Commission to co sponsor a letter that would go out to the business community informing them of the program. Furthermore she said that they would be gathering information and said that they would report back to the Commission regularly. Stephen Cornell., former Small Business Commission President said that in his role as a commissioner he had been involved in the Power Savers Program, the previous energy efficiency program from the Dept. of the Environment, and said that a number of businesses have already taken advantage of this and warned that they may have trouble getting more people to sign on He also said that he was concerned with the fact that the chosen contractor is not a local vendor and wondered where the light bulbs and other supplies would come from. Alena Gilchrist said that although Ecology Action is from Santa Cruz, they are committed to purchasing local and said that they have dedicated staff that will put together a list of local vendors. With regard to getting new businesses signed on she said that Power Savers was only available for businesses whose usage was 20KW and below, while this program will open it up to businesses with 100KW and below, adding that San Francisco's restaurant industry did not benefit a lot from the Power Savers Program and they will with this one.

Item 9 - Discussion of the Proposed Geary and Van Ness Bus Rapid Transit Studies
David Heller, President of the Geary Boulevard Merchants Association and business owner thanked the Commission for the opportunity to present their side of the issue. He reported that on December 7, 2005 his group met with the Mayor to request an economic impact study of the BRT. He said that his future is in jeopardy, stating that they are under attack. He said that the plan was never approved by the voters or the residents or merchants of the area, but rather buried in the language of 2003's Proposition K, the renewal of the sales tax measure whose revenue was dedicated to public transit projects in San Francisco. He said the plan will create 2 lanes of dedicated bus lanes on Geary and said that they fear the construction that is sure to be involved with a plan such as this. He questioned where 55,000 cars that currently travel on Geary Blvd. daily would be re routed to and said that it will likely end up in their neighborhood streets, which are already extremely busy. He said they would loose lots of parking in an area that already lacks it. He read language from Prop. K and said that they will challenge it in court if they have to, but they hope they don't have to. He distributed a packet for the Commissioners and said that they have not been listened to, pointing to a letter to the CTA, adding that they have over 1000 signatures. He said that they have been trying for the past three years to negotiate and communicate with the CTA but said that no one wants to listen to them, not even the economic impact study. He said that from the beginning they have not communicated with them, stating that he is on the advisory committee and raised a question about parking, only to find out later through the papers what was happening with the parking, not to mention that it was suggested to him that if he had a problem with the parking that he should consider moving his business to a shopping mall. He said that they are concerned with several things including safety and said that he is hopeful that the Commission could help them in this. He pointed to an open letter in the packet which he said they sent to Mr. Ford and Mr. Moscovich asking them to consider alternatives. He said that this did not get them anywhere and that is when he went out to get signatures. He said they are not against increasing the density which this is about, but why fix something if it is not broken. He said, simply they are not respected by the CTA, stating that Director Jose Luis Moscovich has gone so far as to say that the voters voted and he did not have to listen to them. Furthermore he said that they had given the CTA their opportunity to make

their presentation and they have not afforded them the same respect. He pleased with the Commission stating that the CTA have been spending thousands of dollars, money that his group does not have to fight this. Commissioner O'Connor stated that he has been following this issue as a resident and business owner in the city who recently also went through similar transit issues in his neighborhood with the new Octavia Boulevard. He said as beautiful as the Boulevard is, it has been a transportation disaster as a resident, adding that the side streets are extremely busy. He said he is on the fence on the Geary Boulevard issue, but said that he is afraid of getting sucked into the romantic concepts of new transportation planning for the sake of doing it, while neglecting the effects and impacts it will have on the host and neighboring communities. He asked what assistance would be given to small businesses impacted by the proposed BRT. David Heller said that back in the 1930's there was a rail line down Geary, which he said they had the foresight to remove, adding that the Supervisors said that they needed a commuter lane. He claimed that they are doing this because they want to change zoning to allow for increased height and said the plan will bulldoze the entire community. He said that this was the merchant's opportunity to speak and he requested that they all speak first. Julie Kirschbaum of the CTA said that if she had been presented this project as it just was, she too would be concerned. She said she would like to come back another day and present the facts of the project, stating that when she came the last time they were in the early phases of the study and did not have a lot of data on parking and traffic impacts and travel time savings times. She said that they spent a lot of time talking to the merchants and have come up with alternatives, including one that would increase parking by moving bus zone to the center among others. Specifically to answer Commissioner O'Connor's concern, she stated that this is not a light rail project but rather a bus project, stating that riders would not start on a bus, switch to light rail and then get back on a bus. Instead she said it would be a seamless ride from downtown to the Ocean, adding that it would look like one system, with a dedicated lane between 33rd and Gough, which currently there is not one. She said that they are looking at four different alternatives including the commuter lane which Mr. Heller spoke about. Hiroshi Fukida, a Richmond resident since 1971 said he was surprised by the BRT, stating that it seems to have been pushed on them, adding that they did not ask for it. He said that what they are proposing to do may be great ten years down the line, but in the meantime he feels sorry for the folks that are there now. He suggested taking it one step at a time and seeing what works best. He recalled the street cars that used to go from downtown to the ocean, stating that they have since been removed and now this proposes a similar plan. Commissioner O'Connor said that he would have to step out soon but expressed that he hopes to make this a big issue for the Commission in 2007. He addressed the CTA and said that he expects to see the same community process as he has witnessed in other neighborhoods. Ronald Kowopaski, a resident of the Richmond for over 35 years stated that he was a small business man in the city and is very concerned with what this plan will do to the city. He said that what Mr. Heller has explained is true, stating that he had tried to be a member of the Citizens Advisory Committee and has gone to meeting but said that they don't seem to listen. He said this seems like a hair brained idea and said there is a lack of ability to trust the CTA, stating that they have put out glossy expensive materials and said that all the questions are tailored so that you could not possibly answer no, adding that there is no mention of what the trade off's or costs will be. He said that there is no real benefit to anyone that lives in the area, stating that at best a rider may arrive downtown 5 minutes earlier than he/she would otherwise, and he wonders if it's worth it. Zabe Bent, Senior Transportation Planner with the CTA addressed Commissioner O'Connor's comment on the level of outreach, stating that they have conducted three sets of public workshops throughout the corridor, and extensive direct outreach by way of presentations to different groups and community stakeholders, and said they would continue to do outreach through the end of this study and through the next phase of work. Commissioner O'Connor asked what the turnout was like at the public workshops. He said that he would like to attend future meetings and said that if he saw overwhelming majority in

support of the project he would take that into account, but vise versa, if he saw an overwhelming majority in opposition, it too would impact his stand on the project. Ms. Bent stated that they had anywhere from 20 people to 80 people, which varied by neighborhoods. She said they could have a more complete report with better numbers when they come back to present at a later date. She addressed another comment about zoning and said that the project is intended to serve the existing set of riders. She explained that they are still in a conceptual phase and said that the next phase of work should the environmental study be approved, would include more community outreach and would be a more detailed analysis. Keith Wilson, a resident of the Richmond and business owner on Geary Boulevard commented on the David Binder study which claims that 70% of people are in favor of the BRT, stating that it was a city-wide poll, not a poll of the people who actually live and work in the neighborhood. He said there has been a lot of talk at the federal level of pork barrel spending, stating that this is exactly that, there's a lot of money sitting there and the first thing they want to do is spend it regardless of if it makes sense or not. He said that it was only recently that they started to talk about the alternatives but said even then they are not listed in any of the glossy materials that they distribute at meetings, stating that he has attended these meetings but said that they don't listen to them, including Supervisor McGoldrick. He thanked the Commission for hearing them and added that this could be done for much less money. Merv Silberberg, a seventh generation San Franciscan, state that his folks on both sides were in small business and said that he would have been in small business too but said that in 1948 he chose to go to college instead of taking over the largest ready to wear clothing store for women located in the Tenderloin at that time. He said one of the reasons the decision was made was because at that time they were going to tear up Market Street and put in Bart, stating that we need to see things for what they really are. He said that the Redevelopment Agency at that time took everything from the South of Market and put it in the Tenderloin, which destroyed the Tenderloin for decades to come. He said his point is that small businesses left Market Street and never came back. Michael Puente, owner of House of Bagels on Geary Blvd, said that he is opposed to the proposed project because he said the project does seem to be railroaded, stating that he has been attending meetings since last December and said that you have to answer your questions on paper and have them forwarded, stating that his questions are never answered or addressed. Secondly he said that the cost of the project is crazy at 260 million dollars, adding that the best case scenario for time saved for people is 5,000 hours. Finally he said that the most important issue for him is the fact that he owns a business on Geary Street and said that he does not want to be put out of business, stating that when PG&E does work on his street his business is down 40-60%, adding that the best case scenario for construction work in his immediate area is about two months. He said he nor his family or employees could afford to have a 50% reduction for a two month period, not to mention the traffic and parking issues. Michael Busk a small business owner on Clement for over 50 years stated that the basic most important point about this project of putting in the BRT is that it is not necessary. He said that all that he knows about the project is what he has read on the CTA website, adding that clearly the plan that ought to be adopted is Basic Plus, which will improve commute times in 2015 for the regular bus to the times of the Limited bus. He said that the survey that the CTA presumably took revealed that riders want quicker service down town. The second priority that riders wanted a dedicated bus lane, and the third priority was the information on the bus stops so that they will know when the next bus is coming, all of which Basic Plus will do. He said that there is only one thing that Basic Plan II will not do, stating that it will not put out businesses who are currently struggling on Geary and on Clement Streets. Jack Rhiel stated that this project is a solution looking for a problem. He said he had been to a number of the town hall meetings, stating that they give you an opportunity to ask questions, but you must right them down and then they are filtered out. He said that he has asked questions at the Geary Citizens Advisory Committee meetings and said that they don't every address how traffic will be diverted if certain scenarios are played out, such as filling in the trench on Fillmore and Geary which he said is a huge

undertaking that could take years. He said there is never any talk about the consequences, including if traffic is diverted and businesses loose business as a result, adding that there has to be some way to mitigate and some compensation and said that there should be some money allowed for compensation. Janet Campbell an architect with 30 years experience, 15 of it in Atlanta and 15 here in San Francisco. She said in Atlanta she worked for an agency like BART here called MARTA as a Planner working on similar projects. She said that they had an overriding policy at MARTA of not interfering with the working fabric of a city, stating that this plan does interfere with it in a horrible way. She said there were certain basic principles at MARTA that you did not cross, which are being crossed here including looking at where you place stops, stating that blight happens around stops. Secondly she said that in all other city's it is required to have 4-5 parking spaces for every 1000sqf of office and retail space in order to make that office and retail space economically viable. She said this needs to happen here and it is not in this plan. She stated that in a number of these plans they took out the diagonal parking which is the most efficient kind of parking you can get, adding that they need to add more parking, stating that there are many more ways to accomplish what they want to do without destroying the fabric of Geary Blvd. Commissioner Richardson asked if Ms. Campbell worked on monorail in Atlanta and said isn't that the idea behind monorail, that you don't destroy the existing infrastructure. Ms. Campbell said she had and said that it could work on Geary and would be a very viable alternative as long as they keep the stops on the same points or you have some way not to destroy the parking and car access to all the areas along Geary. She said they are not looking at all the possibilities. Avery Chope, a member of SPUR and a MUNI rider and said that he was speaking on behalf of SPUR. He said that they have been doing outreach and will continue to do so, stating that they are concerned about the efficiency of MUNI. Rich Worner, a fifth generation San Franciscan and a member of the Citizens Advisory Committee, commented on a comment made by Commissioner O'Connor, stating that the CTA has done great outreach, adding that they sent out 15 thousand cards at least twice. He said that he has tried to make all the meetings that they have sent cards out for and said that there were 25 people at one meeting and 30 at another. He said that the people that were there were in favor of the project. However at the Richmond meeting there were probably 80 folks there and he said that they were all concerned about what would happen. He said that his real concern is that they are going to take out all of the 30 degree parking from 15th Avenue to 25th Avenue. He said that the small businesses that are there are vibrant. Furthermore he said that the big retailers in the area including Safeway, Trader Joes, and Toys R US among others are also opposed to it. Judith Berkowitz of the Coalition of San Francisco Neighborhoods (CSFN) respectfully requested a continuation of the item, stating that her group, which is includes about 48 neighborhood organizations are actively participating in and considering taking action on this project. She also suggested perhaps dividing the item and taking action on Geary and Van Ness separately. Rachael Hiatt a Senior Transportation Planner with the CTA, charged with managing the Van Ness BRT said that she could come an present the Van Ness BRT in detail at a future date if the Commission so chooses. She said she would like the Commission to understand the scope of the benefits of the project including, providing a comfortable environment for riders and pedestrian safety. She said that on Van Ness they could in fact implement the BRT without taking away any parking and said that it is a lot less expensive than the light rail or mono rail. She said that BRT is the city's key opportunity to raise the level of MUNI service on its key networks. Commissioner Chiu requested to continue items for lack of a quorum and because they do not have all the information in order to make a decision. He requested that the CTA come back at some later date with the full analysis, adding that the opponents of the project have adequately laid out what their concerns are. He presented some questions to be addressed at a future presentation on the project including the following: what will the exact parking impacts with various options; what will be the length of time that the various options will take; what are the alternatives with regard to parking and other impacts during the construction period; economic analysis of the impacts to

business corridor as well as potential mitigation options that you may have considered during this time period. He said that it would be great if the CTA could circulate their analysis to the Commission and Mr. Heller and other interested parties prior to their presentation and he encouraged all the folks that have a stake in this project to attend that meeting. Commissioner Thigpen agreed that this was a good idea to have the CTA come back and present the plan and answer questions. She said that she would get her questions to the CTA in advance so that they may be addressed as well. She stated for the record that Mr. Bob Plankhold, a disability advocate provided her with comments in opposition to the project. Commissioner Richardson said that she would like to see a report on the actual cost of monorail, although she was not sure who would do such a report. She said it should not be the report commissioned by the automobile industry, but rather a long term impact report that would consider cost and maintenance. Director Ubalde stated that the CTA had previously presented the proposed project, however noted that it was in its early stages and she too thought it was a good idea to have the CTA come back. Commissioner Thigpen agreed that the items would be continued and thanked everyone for coming out and encouraged them to come back.

10 - Meaningful Payroll Tax Reform
Commissioner Thigpen stated that this item will continue to be a standing item on the agenda even though there may not be any action to take at the time. She said the issue of the payroll tax is very important to both her and Commissioner Chiu and said that this is a way to keep it on the forefront. Director Ubalde stated that the Commission passed a resolution at the last meeting and said that with the help of the Deputy City Attorney they were able to get the resolution drafted and down to the Board of Supervisors and said that staff will need to follow up on it so that it actually gets calendared at the BOS. Commissioner Chiu said that this item should be put over to January, adding that at this point the Treasure and Tax Collector's Office is in the process of getting out their tax forms and they should have more data that they would them be able to work from in the new year. He said that the next step would be to work with the BOS to make sure they have a meaningful dialogue.

Item 11 - Discussion and Possible Action On File No. 061432 [Clean Construction Ordinance]
This item was continued until January

Item 12 - In Memoriam Certificate to Honor James Kim, Small Business Owner
Commissioner Thigpen stated that as most people know Mr. Kim tragically passed away in an attempt to save his family after being stranded for days in Oregon wilderness. She said the story touched many people, stating that everyone she went she heard people talking about it, adding that it really transcends human experience. She reported that another compelling aspect of the story has to do with the fact that the key person who noted the cell phone ping that resulted in authorities being able to locate the Kim family is a small business owner in Southern Oregon. Commissioner Chiu made a motion to direct staff to go forward with the In Memoriam. Commissioner Richardson seconded. Unanimous approval from the Commission.

Item 13 - New Business
Commissioner Thigpen suggested that the Commission have another retreat in the new year, stating that the last one was over a year ago. Director Ubalde requested to wait and have the retreat upon her return from maternity leave in the Spring as she would very much like to participate. Commissioner Thigpen agreed and said that she would also like to begin to talk about a new program that the Commission may want to undertake, called "Eat Local First", which she would like to launch in April. She also requested to place the election of officers on the January agenda.

Item 14 - General Public Comment

No public comment at this time.

Item 15- Adjournment
Commissioner Chiu made a motion to adjourn in honor of James Kim and his family. He also congratulated Director Ubalde on her upcoming motherhood. The meeting was adjourned at 7:58 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING & AGENDA

SF
S58
#1
1/8/07

MONDAY, JANUARY 8, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE NOVEMBER 13, 2006 AND DECEMBER 11, 2006 MEETING MINUTES** (Action Item)

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **COMMISSIONER'S REPORTS:** Allows the President and other commissioners to report on recent small business activities and make announcements (Discussion Item)

5. **STAFF REPORT:** Allows staff to report on recent small business activities and make announcements (Discussion Item).

6. **PRESENTATION BY CONSUL GENERAL MYKOLA OF THE UKRAINE:** Presentation by Consul General Mykola on fostering business trade opportunities by and between his country and our small business community (Discussion/Possible Action Item).

7. **DISCUSSION OF THE CITY'S NEW PAID SICK LEAVE ORDINANCE:** Presentation, discussion, and possible action item on the City's new Paid Sick Leave Ordinance, effective February 5, 2007 for all employers for which employees perform work in San Francisco (Discussion/Possible Action Item). Presentation by Office of Labor Standards Enforcement.

8. **DISCUSSION AND POSSIBLE ACTION TO HOLD A SPECIAL MEETING ON THE PROPOSED GEARY BOULEVARD BUS RAPID TRANSIT STUDY ON JANUARY 29, 2007 AT 5:30PM IN CITY HALL, ROOM 400:** (Discussion /Possible Action Item).

9. **DISCUSSION AND POSSIBLE ACTION TO HOLD A SPECIAL MEETING ON THE PROPOSED VAN NESS AVENUE BUS RAPID TRANSIT STUDY AT A DATE TBD:** (Discussion /Possible Action Item).

DOCUMENTS DEPT.

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AGNES B. UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
JORDANNA THIGPEN, PRESIDENT
MICHAEL O'CONNOR, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

10. **MEANINGFUL PAYROLL TAX REFORM:** Discussion and update on a meaningful payroll tax reform. Presentation by Commissioner Chiu and President Thigpen (Discussion/Possible Action Item)

11. **DISCUSSION AND POSSIBLE ACTION TO PROPOSE AMENDMENT TO THE BOARD OF SUPERVISORS FILE NO. 050922 PAYROLL EXPENSE TAX EXCLUSION FOR QUALIFIED CLEAN ENERGY TECHNOLOGY BUSINESSES TO INCLUDE ALL BUSINESSES THAT PAY THE PAYROLL TAX:** (Discussion/Possible Action Item)

12. **DISCUSSION AND POSSIBLE ACTION ON FILE NO. 061432** [Ordinance amending the Administrative Code to add Section 6.25 to require City Contractors to adopt clean construction practices including biodiesel fuel and emissions controls within one year; amending the Administrative Code to add Section 6.67 to allow City departments that are authorized to award public works contracts to compare bids on the basis of clean construction practices; and amending the Environment Code to add Section 411 to urge City departments with off-road construction equipment to apply for funding to retrofit or replace such equipment, to authorize the Department of Environment to assist local businesses in applying for such funding, and to require annual reporting. (Discussion/Possible Action Item). Explanatory Documents: File No. 06142.

13. **ELECTION OF PRESIDENT OF THE SMALL BUSINESS COMMISSION:** Allows the Commission to elect a member of the Commission to serve as President of the Commission. Requires motion and vote (Action Item).

14. **ELECTION OF VICE PRESIDENT OF THE SMALL BUSINESS COMMISSION:** Allows the Commission to elect a member of the Commission to serve as Vice President of the Commission. Requires motion and vote (Action Item).

15. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

16. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

17. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

AGNES B. UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
JORDANNA THIGPEN, PRESIDENT
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SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND
AMENDED AGENDA

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JAN - 8 2007

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MONDAY, JANUARY 8, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE NOVEMBER 13, 2006 AND DECEMBER 11, 2006 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft November and December minutes

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **COMMISSIONER'S REPORTS:** Allows the President and other commissioners to report on recent small business activities and make announcements (Discussion Item)

5. **STAFF REPORT:** Allows staff to report on recent small business activities and make announcements (Discussion Item).

6. **PRESENTATION BY CONSUL GENERAL MYKOLA OF THE UKRAINE:** Presentation by Consul General Mykola on fostering business trade opportunities by and between his country and our small business community (Discussion/Possible Action Item).

7. **DISCUSSION AND POSSIBLE ACTION TO ENDORSE THE DEPARTMENT OF THE ENVIRONMENT'S SF ENERGY WATCH, A NEW PROGRAM THAT WILL ENABLE SMALL BUSINESSES TO SAVE MONEY ON ENERGY BILLS AND HELP FIGHT GLOBAL WARMING:** (Discussion/Possible Action Item). Explanatory Documents: Draft letter of endorsement.

8. **DISCUSSION OF THE CITY'S NEW PAID SICK LEAVE ORDINANCE:** Presentation, discussion, and possible action item on the City's new Paid Sick Leave Ordinance, effective February 5, 2007 for all employers for which employees perform work in San Francisco (Discussion/Possible Action Item). Presentation by Office of Labor Standards Enforcement.

9. **DISCUSSION AND POSSIBLE ACTION TO HOLD A SPECIAL MEETING ON THE PROPOSED GEARY BOULEVARD BUS RAPID TRANSIT STUDY ON JANUARY 29, 2007 AT 5:30PM IN CITY HALL, ROOM 400:** (Discussion /Possible Action Item).

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

AGNES B. UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
JORDANNA THIGPEN, PRESIDENT
MICHAEL O'CONNOR, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

10. **DISCUSSION AND POSSIBLE ACTION TO HOLD A SPECIAL MEETING ON THE PROPOSED VAN NESS AVENUE BUS RAPID TRANSIT STUDY AT A DATE TBD:** (Discussion /Possible Action Item).

11. **MEANINGFUL PAYROLL TAX REFORM:** Discussion and update on a meaningful payroll tax reform. Presentation by Commissioner Chiu and President Thigpen (Discussion/Possible Action Item)

12. **DISCUSSION AND POSSIBLE ACTION TO PROPOSE AMENDMENTS TO THE BOARD OF SUPERVISORS FILE NO. 050922 PAYROLL EXPENSE TAX EXCLUSION FOR QUALIFIED CLEAN ENERGY TECHNOLOGY BUSINESSES TO INCLUDE ALL BUSINESSES THAT PAY THE PAYROLL TAX:** (Discussion/Possible Action Item). Explanatory Documents: BOS File No. 050922.

13. **DISCUSSION AND POSSIBLE ACTION ON FILE NO. 061432** [Ordinance amending the Administrative Code to add Section 6.25 to require City Contractors to adopt clean construction practices including biodiesel fuel and emissions controls within one year; amending the Administrative Code to add Section 6.67 to allow City departments that are authorized to award public works contracts to compare bids on the basis of clean construction practices; and amending the Environment Code to add Section 411 to urge City departments with off-road construction equipment to apply for funding to retrofit or replace such equipment, to authorize the Department of Environment to assist local businesses in applying for such funding, and to require annual reporting. (Discussion/Possible Action Item). Explanatory Documents: File No. 061432.

14. **ELECTION OF PRESIDENT OF THE SMALL BUSINESS COMMISSION:** Allows the Commission to elect a member of the Commission to serve as President of the Commission. Requires motion and vote (Action Item).

15. **ELECTION OF VICE PRESIDENT OF THE SMALL BUSINESS COMMISSION:** Allows the Commission to elect a member of the Commission to serve as Vice President of the Commission. Requires motion and vote (Action Item).

16. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

17. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

18. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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Small Business Commission

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January 08, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, January 8, 2007 5:30 PM

Small Business Commissioners:

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director – Agnes Briones
Commission Secretary – Martha Yañez

Members Absent: None

Call to order:
Item 1 - ROLL CALL
The Small Business Commission met on Monday, January 8, 2007 in regular session. The meeting was called to order at 5:40PM. Commission Richardson arrived at 5:52PM.

Item 2 – APPROVAL OF THE NOVEMBER 13, 2006 MEETING MINUTES AND DECEMBER 11, 2006 MEETING MINUTES
Commissioner Ventura made a motion to approve the November 13, 2006 meeting minutes as submitted. Commissioner Chiu seconded. Unanimous approval from the Commission. Commissioner Alberts requested to amend the minutes to correct a typo in Item 1-Roll Call. Commissioner Chiu made a motion to approve minutes pending amendment. Commissioner Murad seconded. Unanimous approval from the Commission.

Item 3- GENERAL PUBLIC COMMENT
Susan Rouse, owner of Raining Dogs and Cats, a boarding facility talked about a pressing issue affecting her existence as a small business person in San Francisco. She said the issue has to do with unlicensed boarding facilities accepting docs and cats for overnight without having the proper permits from both or either the Department of Public Health and or Planning. She said the issue has been batted around between Planning, DPY, Animal Care and Control (ACC) and other agencies, but said nothing has been resolved. She said there are a plethora of businesses either home or commercial advertising their business but said they are not legal, operating without a business license in many cases much less a DPH permit. She said ten years ago there were a handful of these businesses but recently hundreds have popped up making it difficult for her business which is following the rules and operating legally. **Commissioner Thigpen** thanked Ms. Rouse for coming forward. She suggested perhaps inviting agency representatives to address the issue and work towards a resolution. **Commissioner Alberts** requested for Ms. Rouse to come up with suggestions for improvements. **Tessa Hedstrom**, Corporate Programs Coordinator at Hands on Bay Area, a non profit that works with

over 300 other non profits all over the Bay Area to organize community service projects for volunteers. She said that they have historically worked with large corporations but have recently focused on small businesses who also want to make a difference but for which the resources have not been there. From that they created a new small business program in which they will create a one time customized volunteer project for these small businesses that will work on their time frame and will be customized for their interests. She said it could be a great opportunity to boost a program that they may already have, or introduce them to the world of volunteerism and community service. She said that Hands on Bay Area does all the preparation and the businesses simply shows up and have a good time. She said the program is for businesses with 25-100 employees. She left materials for the commissioners and the public.

Item 4 – COMMISSIONER'S REPORT
Commissioner Thigpen presented and discussed her annual report on the Executive Director submitted to the Commission and the Mayor. She clarified that there was a misunderstanding with respect to item number three listed on the report. She explained that she had requested staff to do a self appraisal and reported that staff had not submitted that to her as requested. She clarified that it was a misunderstanding because staff is already requested to do this as part of their annual civil service review process. Having clarified that she went on to state some other important work the Commission should focus on including proceeding with community meetings. She recommended establishing a Commission calendar to facilitate scheduling. She talked about the need to increase SBC staff to help execute the goals of the Commission. She recommended forming a budget committee to discuss the proposed budget for the year. On another note, she reported that she met with John Rizzo of the Community College Board to discuss possible contracting opportunities for small businesses working with the CCB. She proposed that the Commission host a joint hearing with the CCB in the near future to further discuss this issue. Finally she suggested moving forward with a proposed retreat of the Commission so that the Commission could begin to work on goals and objectives for the year.
Commissioner Alberts stated that in order propose this year's budget, she would like to see what last years budget and see the expenditures. In terms of possible contracting opportunities with the CCB, Commissioner Alberts suggested to include other agencies and organizations in this, most notably SF State.

Item 5 –STAFF REPORT
Acting Director Mike Farrah introduced himself to the Commission and the public stating that he is the Mayor's Senior Advisor. He said Mayor Newsom asked him to sit in as Acting Director while Director Ubalde is on leave, stating his desire for everything to go over smoothly in her absence. He said he comes to the Commission with 15 years experience in government and some small business knowledge, including family members in small business.

Item 6 – PRESENTATION BY CONSUL GENERAL MYKOLA OF UKRAINE
Vice Consul Sergei Nicholas expressed his appreciation on behalf of Consul General Mykola who could not attend. He said they were happy to share business ideas, stating that it was great to learn of the many opportunities for both businesses here and abroad. He reported that the Commission had been crucial in making connections with other business serving agencies and said that they are hopeful for more cooperation and said that they are open to the possibilities of doing work with the City and the Commission. **Commissioner Alberts** thanked Vice Consul Sergei Nicholas for representing the Ukraine Consul, stating that the Commission is happy to foster such a relationship with the Consul and help form real business opportunities for both local businesses and those in the Ukraine.
Commissioner Ventura asked how these opportunities would be made available. **Commissioner Alberts** explained that the various members of the International Business Task Force share information with one another, including opportunities that they know about and they intern send information out to their respective lists serve. Specifically with respect to the Ukraine Consul, which was new in San Francisco, they sent a welcome letter and are helping them pin point what their needs are in order to better assist them. **Commissioner Richardson** asked what business opportunities are available for local businesses that would like to do business with the Ukraine. **Vice Consul Sergei Nicholas** replied stating that due to their clean up efforts in Chernobyl there is a big focus on clean energy type

businesses.

Item 7- DISCUSSION AND POSSIBLE ACTION TO ENDORSE THE DEPARTMENT OF THE ENVIRONMENT'S SF ENERGY WATCH

Commissioner Ventura explained that while the Commission had previously stated its support of the program, it had not made a motion to endorse it nor to send out a letter stating that fact. He said that the item was on the agenda as an action item to endorse a letter that would go out to business owners from the Department of the Environment stating that the program is fully endorsed by the Commission.

Commissioner Ventura made a motion to endorse the program by supporting the draft letter stating the Commission's full endorsement of the program. Commissioner Chiu seconded. Unanimous approval from the Commission.

Item 8- DISCUSSION OF THE CITY'S NEW PAID SICK LEAVE ORDINANCE

Donna Levitt, Director of the Office of Labor Standards Enforcement (OLSE) stated that San Francisco is first city in the United States to pass this law which requires employers to provide paid sick leave (PSL). She stated that Proposition F, the ballot measure which created the law was passed by the voters in November (Chapter 12W of the Admin Code). She went on to explain the benefits of PSL and how it will work, stating that 25% of employees do not have sick leave, which creates difficulty while caring for the sick. She stated that the new law would take effect on February 5, 2007, requiring all employers to provide paid sick leave to each employee who performs work in San Francisco, including part-time or temporary employees. She explained that for every 30 hours worked, an employee accrues 1 hour paid sick leave. For businesses with fewer than 10 employees, hours are capped off at 40 hours accrued; otherwise the cap is 72 hours. However, she explained that accrued paid sick leave does not expire but carries over from year to year, and the caps are for a given point in time, not annual. She said that for new employees of a business, they would begin to accrue sick pay after 90 days of work, but current employees would begin accruing as of the effective date. There is also no cap on how much paid sick leave an employee may use in a year because it is to be used when they are sick or carrying for a sick family member, which can not be regulated. She said that her office would be seeking help from the Mayor's Office to help answer some questions that they have been getting, including how to set up a sick leave policy, and how much information can an employer request from their employee. Some additional employer responsibilities include posting a sign at the job site informing employees of their right to paid sick leave, as well as keeping records of accrual and usage per employee and provide these records to the OLSE only on a complaint basis. **Commissioner Thigpen** reported that Supervisor Elsbernd would also be holding a hearing on the issue on Thursday at the Board of Supervisors. She encouraged members of the public who still may have questions to attend that meeting. She asked if this law would apply to someone who hires a handyman or housekeeper once a month or so often. **Donna Levitt** stated that at she understood the law would apply to anyone as defined in the labor code as an employee but said that she would need to get back to her with a definite answer. **Commissioner O'Connor** asked who would handle the issue of the employee needing to provide proof of sickness. **Donna Levitt** said that she was hopeful that the Mayor's Office of Economic and Workforce Development (MOEWD) would be able to provide a list of resources that would help a business establish a sick policy. She said this sort of having to provide proof of sickness would be something that would need to be stated in a worksite policy. She said the law only states reasonable, which she said could mean two different things for employer and employee. She said there is nothing in the law that prohibits an employer who has a sick leave policy that has rules. **Jennifer Entine Matz**, of the Business Affairs Division in Economic and Workforce Development stated that she had been working with OLSE around the compliance issues, stating that OLSE can help with how to become compliant, but said that they can not offer a sick leave policy for employers. She said would be working on trying to fill that gap, looking at how to track sick paid accrued, stating that some private companies have come forward ready to help. She announced that there would be a workshop on January 23rd aimed at CPA's that are interested in learning how to establish a payroll tracking system. She said there are payroll services in town that can do this and said that the transfer of information in a seminar setting would be valuable. **Commissioner Richardson** said the ordinance is flawed, stating that health services ought to be a right,

acknowledging that it is a long way from that. She asked what redress an employee has. **Commissioner Alberts** asked what recourse is there for an employer when an employee files a complaint. **Donna Levitt** stated that OLSE would handle such complaints similar to how they handle violations of minimum wage, stating that they would investigate the claims, interview both employee and employer, they would audit payroll in some cases and if still not able to resolve they would take it to a hearing and access penalties if necessary. **Commissioner Murad** asked if one could satisfy this requirement by paying 31 hours for 30 hours worked. He also expressed frustration with the way the state hearings work, stating that often times businesses spend a lot of time gathering all their paperwork to come down to a hearing only to sit for hours and have the other party not show up and have the issue dismissed. **Donna Levitt** said that the idea and the purpose of the law is to allow a sick employee to take time off to care for themselves and or a family member when they are sick. She also said that the local OLSE was set up because the city believed it could do a better job at enforcing and resolving these laws. **Tylor Boyd** of ADP, a payroll firm in the City said that his company stands ready to be a resource to the city and to individual employers to help businesses track hours exactly as is required by the ordinance. He said that there are options. **David Sahagun**, a small business owner and past president of the Commission said that this ordinance should have been considered by the Board of Supervisors and heard publicly before it went on the ballot. He said the legislation puts a cap on skilled workers, stating that he has a problem with that. He asked which Supervisors put this on the ballot without proper hearing process. He asked if an employee could cash out after three years with a company. **Donna Levitt** stated that the measure was put on the ballot and submitted by the following five Supervisors; Chris Daly, Sophie Maxwell, Tom Ammiano, Jake McGoldrick and Ross Mirkarimi. With respect to the second question she said there is no cash out of unused time if an employee leaves the company. **Henry Konowitz** expressed his support for sick leave, but said that there ought to be checks and balances, stating that presently the ordinance is one-sided. He said he did not believe that employers should be held responsible and not have a method to prevent abuse. He said the city ought to have an ombudsman where employers can take cases when there is abuse. **Steve Kraiville** from Toolworks asked if this would apply to those working under a federal wage determination. He asked for clarification on accrual of sick hours. **Donna Levitt** said that she would need to check before answering that question. She clarified that employers are only required to accrue per employee in full hour increments, so an employee would have to work 60 hours to accrue the second hour of paid sick leave. **Linda Mjellum** of Union Square Association said that she was appreciative of the fact the OLSE contacted them to discuss this with them some time ago, and said she was equally pleased to hear that the Mayor's Office of Economic and Workforce Development is reaching out to find some resources for businesses. However she said they still have questions related to exempt, temp and commissioned employees, asking how are hours tracked for these employees, and who is obligated to pay for it. She asked about the cap reference in the legislation, specifically how you deal with businesses whose force fluctuates between under 10 and more than 10 employees. **Donna Levitt** responded stating that a strict reading of the ordinance stated that sick leave accrues for hours worked, adding that it does not distinguish between FLSA exempt employees and FLSA covered employees. She said that it is their understanding that employers will now be required to track overtime hours when it's not currently tracked. As for commissioned employees she said they were still looking into this, but said that it appears that ours worked will need to be tracked. With regard to fluctuation she said that it is their read that for those pay periods where a business is small (under 10 employees) accrual would cap at 40 hours and when the business is considered large, accrual would cap at 72 hours. **Commissioner Chiu** suggested that as the OLSE figures out where the ambiguities lie, they consider the intent of the legislation, stating that as related to temporary employees, the proponents of the legislation did not intend for full time to mean more than 40 hours a week. **Commissioner Murad** asked if overtime hours are counted. **Donna Levitt** said she did not have a definitive answer yet. **Valli Farmaian** owner and operator of ABA Search and Staffing of 20 years in San Francisco asked for clarification on the cap on days accrued in any given year. He asked Mr. Boyd of ADP if his company was able to track his temporary employees who worked in one city one week and the next in another, or similarly work one day in San Francisco and another day in San Mateo. **Donna Levitt** responded to the question of accrued days rolling over from one year to the next potentially ending up in 28 days, stating it could not. She said the maximum accrued or maximum amount of days that could be on the books at any

given time is nine days. Similarly she said if an employer already has a paid time off policy, they would not be required to provide paid sick days as long as the policy is as generous as the paid sick leave ordinance requires. So that if an employee uses paid time off for a vacation and then they get sick, the employer is not required to pay them for the sick time they take off. **Stephen Cornell** of Brownies Hardware asked about the usage of paid sick leave when a business fluctuates between less than 10 employees and over 10 employees. **Donna Levitt** said she would have to get back to him on that. **Stephen Cornell** asked if all these unanswered questions would be answered by the effective date of February 5th. **Ms. Levitt** responded in the affirmative. **Mr. Cornell** asked about employees hired through temp agencies, are they considered employees of the temp agency or the business they go to work at. Ms. Levitt said that in this situation they view it as a shared responsibility to be worked out by and between the temp agency and the business hiring temps. **Mr. Cornell** asked if all his employees at three separate stores would be counted to determine if he is a small business or larger business. Finally he asked if the City would require the same from companies it does business with. **Ms. Levitt** said the total number of employees would count toward determining level of business. With regard to the other question she said that the ordinance covers employees who perform work in San Francisco so to the extent that the city contracts with companies who have employees that perform work in San Francisco they would be covered by the ordinance. **Richard Essey**, owner of Temp Positions Inc., said that he's been in the business for 44 years and said he has had people come and go only to come back again years later, in some cases up to 20 years later. He wondered if he would have to count the previous time worked and if so how far back is he required to go to track that. He said he was not surprised that the law passed, saying who would vote against it. However he said that the only way to change it now is to go back to the voters. He suggested perhaps delaying the implementation of the legislation until the questions could be answered. **Donna Levitt** said that they too wish there had been a public process, stating that everyone would have benefited from that. Furthermore she said it is not OLSE's choice to implement of February 5th, stating that it is the law. **Nancy Burner**, an employee attorney in San Francisco echoed everyone else's comments, stating that she has been getting calls from employers from around the county asking her questions that she does not know how to answer. She said that these companies want to comply but said that she does not know what to tell them. Furthermore she talked about the fact that it is being pushed on them to hastily, without questions being answered, and commented on the anti retaliation clause in it, stating that it is bad. **Deborah Monroe**, owner of Monroe Personnel Services stated that she had been blindsided by this. She said that her temps are paid at different rates and asked how they determine at which rate to pay the paid sick leave. Secondly she asked if she is required to pay a temp that accrued time in San Francisco but is working in Oakland when he/she is sick. She asked what kind of proof are they required to give to their clients to show that they are complying. She asked if it is OK right now to change a sick policy to a PTO plan to get around increasing a 5 day sick leave policy to 9 days sick leave. Finally she asked if an employee is considered an employee if they are working for another temp agency at that time. **Ms. Levitt** responded stating that if an employee works in San Francisco and they then go work in San Mateo for the same company, they accrue time for the work in San Francisco but they do not accrue time for the work in San Mateo, nor is the employer required to allow them to use paid sick leave accrued in San Francisco. She said that an employee could not draw sick time between assignments. With respect to the other questions she did not have an answer at the time.
Commissioner O'Connor asked Ms. Matz of the Mayor's Office if it would be possible to hold a meeting with the OLSE and temp agencies to address some of these questions heard tonight. Ms. Matz said she would be happy to work with OLSE staff so schedule such a meeting. **Shane Anderies**, an employment attorney with Jackson Lewis, LLP said that he too was getting many questions from employers. He asked if sick pay could be used in less than hour increments. He asked about the beneficiary designation right, and wondered if one could designate some other than a spouse or domestic partner. **Ms. Levitt** responded stating that if the employee has a spouse or registered partner they do not have the opportunity to designate someone else, they can only do so if they do not have a spouse or registered partner. With respect to the other question she said she believe the ordinance to be silent on the usage of sick leave in terns of increments. **Susan Magley** of Magley and Associates, another temporary services agency asked how OLSE sees the shared responsibilities between temp agency and employer functioning. She also recommended that a fair amount of time be

dedicated to any meeting with temp agencies because she said they have lots of questions. **Ms. Levitt** stated that shared responsibilities are something that could be addressed in a contractual agreement by and between the temp agency and the employer, but said she was happy to talk to the temp agencies to discuss how that could best happen. **Commissioner Ventura** suggested that when the FAQ is worked on and addresses many of the questions related to temp agencies, that retail and restaurant industry issues also be included, such as seasonal labor and accrual. He also clarified that when looking at accrual the 30 or 72 hour cap would be based on pay period. **Marc Koonin**, an employment attorney asked the Commission to direct questions posed tonight to the OLSE so that they can come up with an FAQ. He asked what constitutes a better or comparable policy, stating that some of his clients provide 15 days of sick pay but it is not accrued hourly, would they be in compliance. Also, he said when you have extra territorial application the way the ordinance is drafted it seems to imply that somebody out of state who directs hiring would be personally liable, stating that he would like more direction in that regard. **Commissioner Chiu** stated that clearly there are a lot of questions. He requested an advisory letter back from OLSE in the next couple of weeks that would hopefully answer these frequently asked questions and those posed this evening. He also requested that the FAQ be posted on the Commission's website and that it be regularly updates as necessary. He also said it would be appropriate to have another hearing on this in late February or March as the implementation and enforcement occurs to come up with possible amendments to the ordinance. He stated that per the Paid Sick Leave law, the Board of Supervisors may amend the chapter with respect to implementation, enforcement and matters relating to employer requirements for verification and documentation. He said he would like to revisit the issue with the OLSE and the public to hear how it is working or not working so that they can make recommendations to the Board. **Donna Levitt** said they would be working on an FAQ and would be happy to provide it to the Commission to be posted on the Commissions website. **Commissioner Ventura** asked if OLSE could provide resources or referrals to companies that provide payroll tracking systems. **Ms. Levitt** stated that she would like to speak first to MOEWD to discuss how they might bring resources together and make them available to the business community. **Commissioner Murad** asked if providing 1 week vacation and 1 week sick leave would comply with ordinance. **Ms. Levitt** said for part time employee it may but for full time it may or may not. She said the accrual system is a much better system. **Commissioner Chiu** said that people could visit the website at www.sfgov.org/olse to see the FAQ and or email PSL@sfgov.org.
Commissioner Chiu made a motion to continue this item for the March meeting of the Commission to continue discussing this issue and invite OLSE back and well as members of the public to offer their recommendations on enforcement and implementation. Commissioner Murad seconded. Unanimous approval from the Commission.

Item 9 - DISCUSSION AND POSSIBLE ACTION TO HOLD A SPECIAL MEETING ON THE PROPOSED GEARY BOULEVARD BUS RAPID TRANSIT STUDY ON JANUARY 29, 2007
David Heller, President of the Geary Boulevard Merchants Association stated that the business owners who had come the previous meeting had asked him to come and speak for them to ask that the Commission give them an opportunity to have a special hearing on the issue.
Commissioner Chiu made a motion to hold a special meeting on said date and request that the CTA finalize the presentation and circulate it prior to the special meeting. Commissioner Richardson seconded. Unanimous approval from the Commission.

Item 10 – DISCUSSION AND POSSIBLE ACTION TO HOLD A SPECIAL MEETING ON THE PROPOSED VAN NESS AVENUE BUS RAPID TRANSIT STUDY AT A DATE TBD
Commissioner Chiu asked if it could be an item at the regular meeting given that there were no folks who came out to speak on it thus seeming like it is not as controversial. **Commissioner Thigpen** stated that she had received multiple complaints about it and said that she did not think that the lack of people showing up for meeting did not indicate that it was not controversial. She said that many of the auto dealers on Geary are concerned and perhaps would make it out to a special hearing on just this item. **David Sahagun**, a member of the Fillmore Merchants Association relayed the fact that the Fillmore Merchants are very concerned about BRT on Van Ness.
Commissioner Ventura made a motion to hold a special meeting with date and location TBD. Commissioner Richardson seconded. Unanimous approval from the Commission.

Item 11 – MEANINGFUL PAYROLL TAX REFORM

Commissioner Thigpen stated that this has been a standing item for some time and said that she discussed the issue with a representative of MBIA, the consultant who worked with the City of Los Angeles to reform their gross receipts tax, stating that they suggest that the City form a working group to look at this issue. She reported that LA formed a committee that met for a couple years and thus were able to avoid going to the ballot with the issue. She said LA was able to start with revenue neutrality and end with revenue neutrality, so there were no new taxes. She said that the item is a standing item on the agenda so that the Commission can continue to talk about it and be proactive since it is likely to go forward anyway and it would be good if the Commission could have a hand in shaping the policy around this issue. **Commissioner Chiu** proposed that he and Commissioner Thigpen make a proposal around the constitution of a working group. He said it is a topic that is complicated and potentially controversial and said that they want to make sure that they have a full spectrum of interests represented in the working group. He asked fellow Commissioners if they have ideas for individuals or interests that ought to be represented that they make those known to he and President Thigpen. **Commissioner Alberts** asked how this would be funded. **President Thigpen** stated that funding for this project remains to be determined but said that it is a good question since staff would likely need to be allocated since there would be a policy body constituted that would be subject to sunshine. She said she would be talking to Board of Supervisors staff about a possible partnership to look at moving forward with this project to choose a consultant, and one possible consultant is MBIA. **Commissioner Alberts** cautioned using all the Commission's budget on one project. She asked how the LA project was funded. **Commissioner Chiu** stated that he believed that LA City Council passed an ordinance that set aside money to pay for economists and consultants to do the necessary work. **Commissioner Ventura** asked if the Commission would need to identify a sponsor at the Board level to move this forward. He also asked for a timeline of how long it would take to craft legislation that would be agreeable by stakeholders. **Commissioner Thigpen** said it would depend on many things and would defiantly not go to the ballot in 2007, if it is to be a ballot initiative. She said that she and Commissioner Chiu would report back in February.

Item 12 – DISCUSSION AND POSSIBLE ACTION TO PROPOSE AMENDMENTS TO THE BOARD OF SUPERVISORS FILE NO. 050922 PAYROLL EXPENSE TAX EXCLUSION FOR QUALIFIED CLEAN ENERGY TECHNOLOGY BUSINESSES TO INCLUDE ALL BUSINESSES THAT PAY THE PAYROLL TAX

Jennifer Entine Matz of the Mayor's Office of Economic and Workforce Development stated that Supervisor McGoldrick was the main sponsor of the clean energy payroll tax exemption and said that when it was passed it had a floor and a ceiling of the number of employees a company could have to qualify for the exemption, between 10-100 employees. She said that they have since proposed eliminating that and Supervisor McGoldrick seems to be interested but said that he need to be convinced. She recommended that the item be continued until the new Clean Tech Manager could bring businesses before the Commission that can speak to why and how such an exemption without the floor and ceiling would be an incentive for them locating here. She felt it was necessary to document some of this antidotal evidence so that there is a good case for it and the legislative sponsor wouldn't mind making such an amendment. **Commissioner Thigpen** stated that she understood that he would not have a problem with including companies with less than 10 employees. **Ms. Matz** stated that he did have a problem with that due to the lack of workforce opportunities that these small companies would create, adding that they explained that it is a good thing to incubate and grow such companies here that would eventually become larger companies offering workforce opportunities. She suggested that perhaps in February they could bring some of these folks to begin to document the need for the inclusion that would perhaps lead to an action to ask to formally consider amending the legislation. **Commissioner Thigpen** asked to continue the item to the February meeting.

Item 13 – DISCUSSION AND POSSIBLE ACTION ON FILE NO. 061432 [Clean Construction Ordinance]

Commissioner Thigpen said that it looks like it is a good idea but said that there is no presenter from Supervisor Maxwell's office, the sponsor of the legislation. Commissioners had questions, but

ultimately did not feel comfortable voting on something without having answers to their questions. Commissioner O'Connor asked where the legislation is at in the process. Commissioner Secretary Martha Yanez stated that it is pending committee action but said it had not been scheduled in committee yet, but would be scheduled sometime in January. Commissioners discussed that potentially there would not be time to hear the item. Acting Director Mike Farrah reminded Commissioners that they could attend the Committee Meeting and make their voices heard in Committee.

Item 14 - ELECTION OF PRESIDENT OF THE SMALL BUSINESS COMMISSION
Commissioner Richardson nominated Commissioner Thigpen to another year as President. **Commissioner Thigpen** respectfully declined. **Commissioner Chiu** nominated Commissioner O'Connor. **Commissioner Alberts** seconded. **Commissioner Ventura** nominated Commissioner Murad who declined. **Commissioner Richardson** nominated Commissioner Chiu who declined. **The Commission unanimously voted to elect Commissioner O'Connor to serve as President.**

Item 15– ELECTION OF VICE PRESIDENT OF THE SMALL BUSINESS COMMISSION
Commissioner Ventura nominated Commissioner Thigpen. Commissioner Richardson seconded. The Commission unanimously voted to elect Commissioner Thigpen to serve as Vice President.

Item 16- NEW BUSINESS
Commissioner Ventura requested to invite Urban Solutions to present on their Business Attraction Program. He also requested to invite National Tax Credit Firm to come and speak about their Enterprise Zone program and services for businesses. Furthermore he said he would be working with staff to schedule a Tenderloin merchant walk/meeting and he would have more information at the February meeting. **Commissioner O'Connor** suggested placing on the agenda a general overview of community meetings/merchant walks previously discussed. **Commissioner Thigpen** requested that all items continued be placed on the February agenda. She also recommended that the retreat be put on the February agenda. Commissioner **O'Connor** suggested placing the issue of the retreat on the February agenda as an action item to hold a retreat in March.

Item 17- GENERAL PUBLIC COMMENT
None

Item 18- ADJOURNMENT
Commissioner Ventura made a motion to adjourn. Commissioner Thigpen seconded. The meeting was adjourned at 8:25 P.M.

SMALL BUSINESS COMMISSION

NOTICE OF SPECIAL MEETING AND AGENDA

SF
552
#1
1/29/07
special

MONDAY, JANUARY 29, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

3. **COMMISSIONER'S REPORTS:** Allows the President and other commissioners to report on recent small business activities and make announcements (Discussion Item)

4. **STAFF REPORT:** Allows staff to report on recent small business activities and make announcements (Discussion Item).

5. **DISCUSSION AND POSSIBLE ACTION ON THE PROPOSED GEARY BOULEVARD BUS RAPID TRANSIT STUDY:** Presentation by Zabe Bent, Senior Transportation Planner. (Discussion /Possible Action Item). Explanatory Documents: Power Point presentation

6. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

7. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

8. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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AGNES B. UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
MICHAEL O'CONNOR, PRESIDENT
JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

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Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

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Small Business Commission

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January 29, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, January 29, 2007 5:30 PM

Small Business Commissioners:

Jordanna Thigpen, President
Michael O'Connor, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez

Members Absent: None

Call to order:

Item 1 - ROLL CALL

The Small Business Commission met on Monday, January 29, 2007 in special session. The meeting was called to order at 5:40PM. Commission Richardson arrived at 5:52PM.

Item 2- GENERAL PUBLIC COMMENT

Rolf Mueller, a long time small business community member said that he has been attending these meetings for 10 years now and said he would appreciate it if the commissioners could get here on time.

Item 3 – COMMISSIONER'S REPORT

None

Item 4 –STAFF REPORT

None

Item 5 – DISCUSSION AND POSSIBLE ACTION ON THE PROPOSED GEARY BOULEVARD BUS RAPID TRANSIT STUDY

Zabe Bent, Senior Transportation Planner with the Municipal Transportation Agency and Project Manager for the Geary Bus Rapid Transit Study said the study looks at Geary which is a top transit corridor spanning the entire Northern part of the City. She said it carries 50,000 riders per day, but said it lacks reliable rapid transit service. She said their efforts are looking at evaluating the BRT system as a way to improve transit on Geary, while improving the neighborhoods surrounding Geary and served by Geary. She said the study is being done by the Transportation Authority in cooperation with the MTA and many other organizations both private and public, and said that they are also lucky to be working with six community based organizations who have been instrumental in helping them

broaden their reach in the community, particularly reaching out to folks who might not normally be part of the transportation planning process, adding that they have been able to bring more people to the table including a more divers communities. She said the focus of the study has two parts, one which looks at Market to the Ocean looking at transportation benefits and particularly pedestrian safety and streetscape, and focusing on Van Ness to 33rd for an analysis for a dedicated lane for buses. She said that what they are looking at for the study are what the features of BRT would be on Geary, what it will look like, and whether or not those features are feasible, what are the impacts and whether or not they would benefit the area and would the project be justified. Furthermore she said they are trying to understand the specific alternatives, are there some that are more promising than others or some that lack merit and thus should not be further entertained and so forth. She said that BRT alone has many different features and is a combination of urban design treatments and technology, stating that the most prominent feature is the dedicated lane, which is a traffic lane that is dedicated to buses only, for which there are no tracks or special treatments for. She said another component is the transit signal priority, stating that it is a way for the buses and traffic signals to communicate with each other, allowing buses to hold the green light open when a bus approaches an intersection rather than having it stop at a red light only then proceed to the intersection to pick up the passengers. She said another component is the high quality stations and platforms, stating that they are looking at investments such as improved shelters and real time information or next bus, and community maps so that folks will know what are the attractions in the surrounding area. Other improvements she said include the low floor buses that will help improve travel time by speeding up the time it takes to board for people with disabilities who would be able to walk or roll themselves on the bus. They are also looking at streetscape improvements and improvements to the pedestrian environment. She said that there are 25 cities around the world that operate BRT systems and said that the reasons for having BRT on Geary are many including pedestrian safety, problems with reliability and mainly delayed service due to traffic congestion or bunching. She said that since they are nearing the end of their study they would like to re evaluate and try to figure out how to proceed. She said that what they discovered is that there are many options for BRT on Geary, most of which are feasible. She said that BRT can offer significant transit performance and can provide faster travel times, increased reliability, and a more comfortable ride, adding that with low operating costs, they can expand the time and span of service into later in the evening or match that of light rail service. She said that a lot of people are concerned with loss of parking and other concerns, stating that a lot of the impacts could be mitigated. She said that they have done an analysis to try to figure out how to mitigate some of the impact concerns and said that they have looked at 5 alternatives overall, the first two are not BRT and the others are. The two that are not BRT are different designs and involve different technology. She said they compared these against each other to see what the impacts vs. benefits could be for each. She said the first one is the baseline alternative, the alternative they will compare all other ones to, and said they include improvements that will happen even if they don't do BRT, such as transit signals, low load buses, inter Geary improvement project, and standard bus stops. The second alternative will have all of the basic alternatives described in the base line alternative, with the addition of a dedicated lane during peak hours in the peek direction (eastbound in the morning and westbound in the evening), possible bus stop removal or consolidation, bus management strategies to help enforce bus timing, and perhaps longer bus stops so that both the limited bus and the regular bus can pull up to the same stop as opposed to having to wait, as well as increased enforcement of the bus lanes. She said that the other three alternatives, 3, 4 and 5 are all BRT alternatives and said that the major difference between them is the location of the dedicated lane and additional improvements like streetscape and landscaping. She said that in all three BRT alternatives there are two lanes of travel for autos and one for the bus in either direction. Alternative 3 has a curbside dedicated bus lane and thus would continue to create conflicts between autos needing to park or make right turns and buses. Alternative 4 would have a center running BRT with two platforms or mediums, one on either side, and Alternative 5 would also have a center running BRT, but with one large center platform with the dedicated BRT on either side of the center platform, which would serve to shield passengers from traffic. She said that all BRT options, or alternative 3, 4, and 5 would provide increased landscaping, pedestrian safety, and a more comfortable ride, as well as be more reliable, and said that Alternatives 4 and 5 would result in increased parking from the conversion of the existing bus stops at the curb into parking spaces. She reported that for

each of the alternatives they did a rigorous set of analysis to figure out what the impacts were, adding that people continued to ask what the travel time differences are and what they will be once BRT is implemented. She reported that for Alternative 1 the travel time for the local bus is 32 minutes and 26 minutes for the limited bus. She reported that Alternative 2 and 3 would be very similar due to the curbside option and peak hour aspect of the Alternative 2, and said that Alternatives 4 and 5 would be significantly faster because the conflict between buses and cars would be removed as a result of the center dedicated BRT. She said that even though BRT is being proposed for the current riders, they do expect to see rider ship increase due to the increased reliability that all alternatives will provide. Another consideration is comfort and the wait time, stating that the center platform option would likely provide the best wait time and comfort level. She said that a large part of the improvements is to increase pedestrian safety and said that they plan to improve cross walks by making them more visible and adding more countdown crosswalks. She said that another concern they have heard is the diversion of traffic on Geary due to the dedicated lane and said that they are finding that people will use other streets nearby, adding that the diversion only amounts to 1 to 2 cars per minute, which is not a significant increase. Yet another concern is the construction impact, stating that it would be similar to a road resurfacing project, adding that the construction itself is very low impact, and not at all like light rail or subway construction. She said that they are looking at doing the construction in segments, so potentially 4 blocks in less than 3 months. Cost is also a concern of many she said, adding that folks wonder if it is affordable. She said that the estimated total construction cost is between 105 and 115 million dollars, excluding Masonic and Fillmore because of the level, which will require more cost analysis, stating that the total project cost could be closer to 150 million dollars. In terms of funding she said that 50 million dollars would come from Prop. K funds, and potentially 75 million from a federal program called Small Starts, adding that this gets them closer to the 150 million they are anticipating to spend. She said that working with the Geary Citizens Advisory Committee and others they were able to come up with a goal for the project and looked at how all the different alternatives fair against those goals. She reported that Alternative 2 fares the best in terms of neighborhood livability and commercial vitality, but not so much in terms of rider ship because she said they found that only 22 commuters ride Geary on average during peak hours. On the other hand BRT fared well both in reliability and rider ship improvements. She said that they found that because so many people use Geary buses all day long, and because of the improvements it will provide, BRT service provides the best options. She concluded by stating that they will present their finding to the CAC in the spring and to the full Board thereafter. If the study goes forward she said that the next step would be an environmental impact report that would provide more detailed analysis, and location specific analysis. Finally she said that at the end of that process would come a decision whether or not to implement BRT, and said that if that were to be the decision construction could begin in 2010 and have the first phase up and running by 2011. She took questions and comments from the commissioners and the public. **Commission Chiu** thanked Ms. Bent for her presentation and asked about the construction impact, stating that if he is doing the math correctly it will take about 3 years for the entire project based on the 6 to 8 weeks for 3 to 4 blocks, questioning why in other parts of the document show a project time of 5 to 7 years. **Zabe Bent** responded stating that this includes the environmental phase, essentially now to 2010 when construction is projected to start if this moves forward, but she said that they are anticipating the actual construction to go as quickly as 1 to 2 years. **Commission Chiu** asked Ms. Bent to talk about the parking situation and how they might mitigate impacts during construction on any particular block, specifically, what can be done for the merchants that will be impacted. He also asked her to elaborate on the section that speaks to the potential business benefits and economic multipliers. **Zabe Bent** responded stating that unfortunately they do not have a concrete answer to the question of mitigating impacts, but said that it would be looked at more closely during the environmental impact review phase. She said that they are however committed to maintaining at least one travel lane open at all times, and finding different ways of lessening the impact of parking loss during construction. With regard to the economic multipliers she said that they believe that the project is an economic benefit because of the level of investment. Furthermore she said that because of the improvements and reliability, they believe Geary will be more of a destination location but said she did not have actual numbers to prove this. **Commissioner Richardson** asked about an update on her comment at the previous meeting where she asked about the feasibility of monorail, stating that it would be ideal to

look into it. Zabe Bent responded stating that she did not have an update on the feasibility of monorail because she said it is not something they are considering at this time. She said there is no money for a monorail in their 30 year expenditure plan, thus they have not looked at monorail. She said that monorail would be a larger impact than BRT. **Commissioner Richardson** said perhaps, but said that the impact would not be as great to the merchants as street level construction. **Ms. Bent** admitted she was not very familiar with monorail construction but said that with any project they would need to allocate space for staging and the actual construction. **Commissioner Richardson** asked if the MTA would consider including a budget for the purpose of compensating businesses for loss of business, stating that 8 weeks is a lot of time for small business, adding that whatever plan gets adopted should take this into consideration. She also pointed to Market Street as an example of what can happen to businesses that are impacted, stating that it has yet to recover form the metro construction. **Zabe Bent** said that she understood that 8 week could be a long time for a business, but said that this is not something that the agency has done in the past and would likely not consider doing now.
Commissioner **O'Connor** expressed his concerns with the idea that the project seems to be focused on the commuters needing to get from end to end, when in fact there are the people in the neighborhood that just need to run their errands, go shopping etc. He said it almost seems that there ought to be two systems, one for commuters and one for neighborhood residents. **Ms. Bent** said that they are trying to address all these things while improving neighborhood conditions such as livability and more. **Commissioner Murad** agreed that the budget should include a budget to compensate businesses for loss of business due to the project. He suggested working out a plan with the contractor so that they work at night and in the early morning so as to minimize impacts to business community. **Zabe Bent** again said that they are not considering compensating businesses because it has not been their policy, and said that they are looking at various construction options. **Commissioner Ventura** asked if during the EIR the Commission would be able to look at measuring the impact to businesses, and suggested adding a cost benefit analysis to the EIR. He also asked if they could include an economic impact study as part of the EIR. **Zabe Bent** said that they would do a cost benefit analysis but said she could not speculate how detailed it will be or if it could be part of the EIR. **Commissioner Alberts** echoed Commissioner Ventura's request for an economic impact study and said that she was not prepared to accept the notion that because an economic impact study or cost benefit analysis has never been done before as part of the EIR process or in general, that it can not be done. She said she supports and understands the long term benefits of such a project, but said it is not realistic or tangible for small businesses. She expressed concern over the proposed 6-8 week timeline stating that 6 to 8 weeks could easily become 16 weeks, not to mention the potential and likely ongoing loss of business due to work in nearby segments which make it difficult to access businesses in the vicinity. She suggested that they apply a business loss insurance model that would allow them to perhaps compensate merchants for loss of business such as the FEMA disaster model. **Zabe Bent** said that they are looking to mitigate the problems including improved policies to get some benefits to businesses.
Commissioner Thigpen said with all due respect for the federal government, looking to the FEMA model might not be a good suggestion. However she did say she heard about mitigation efforts offered to businesses along 3rd Street and asked if there were any details about that and how that was able to take place. **Ms. Bent** said that she would have to look into it and said she did not know about it. **Commissioner Richardson** asked if anyone had surveyed the businesses on 3rd Street since the reconstruction and wondered what the actual construction time impact was and was curious about the rent rates as well, did they change. **Ms. Bent** said that her agency had not surveyed businesses on 3rd to her knowledge and said she did not have any info on that. **David Heller**, President of the Geary Boulevard Merchants Association thanked the Commission for having this presentation and said that they have been working on trying to secure an economic impact study for a couple years and have been ignored. He said that he would like to look back on other projects in the area and talked about a PG&E cable project in which 4 blocks turned into 8 block segment because they had to allow space to prepare traffic for the work ahead and after. He said as a result you loose a lot more parking than originally anticipated, not to mention the impact this has to businesses along the corridor. He said that these cables will need to be relocated to prepare for BRT, stating that BRT can not go in on top of cables and said that this is not accounted for. Furthermore he said that they are here opposed to the project because it was not properly vetted, stating that the CTA claims that 70% are in favor of BRT,

stating that it is not true, adding that the community has been railroaded by BRT. He said that they supported Prop. K to improve Muni and pedestrian safety, not to propose BRT, stating that they never thought supervisors or others would sneak in the paragraph that calls for BRT/Light Rail Ready. He said they can not do BRT unless it is light rail ready, and said they have lawyers that would be very happy to come to town and help them with one of the biggest lawsuit that it has every seen, adding that this is not the way they want to resolve this. **Merv Silberberg** said he spoke at our meeting in December on this issue but said he was not able to speak to all the issues and said that he experienced the same thing during the Muni Metro project on Market Street, stating that his parents had a business in the Tenderloin near Market and said that the neighborhood never fully recovered form the redevelopment work that took place there, and the conversion of buildings to residential housing, stating that this removed the commercial aspect of the area. He said that experience will tell us that the project will take longer than anticipated and double the cost. Furthermore he said that o one has considered the customers of the businesses on Geary Street, stating that the majority of customers are auto oriented, not bus oriented, and said that the project smells of redevelopment, adding that they want to build 20 story buildings that local people will not profit from, but rather out of town developers just looking to make a profit. **Howard Epstein**, a resident of the Richmond District for over 30 years said that he is a customer that shops on Geary and said he usually uses his automobile to get around in the neighborhood. He said he remembers when they pulled the tracks out of Geary Street as well as when they put the cables in stating that both projects caused a big mess in the neighborhood. He said this project will have the same effect. He said the best alternative is the one with no parking morning or afternoon to allow buses to get by easily. He said road construction projects do not have a good track record of coming in on time and on budget. He said that the equity issue that was brought up in the presentation bothered him because it suggested that people who do not take the bus during peak hours have a longer wait time, stating that BRT will not change that. Furthermore in terms of the jay walking problem, he said you could find people jay walking on any given block in any given business district in San Francisco and BRT will not change that either. He urged the Commission to urge the MTA to do the less expensive alternative. **Dr. Ron Konopaski** thanked the Commission for hosting the meeting and said that he lived in the district for 36 years and said that the district supervisor is known for his hair brained ideas, of which this is one. He said the presentation was very slick, what he called Madison Avenue type. He said the same one was shown to the people of the Richmond District to get them on board, but said it is a total fraud. He said nothing has been said about how this will impact the neighbors and what it will cost them, or the long term effects, adding that BRT is a bad idea. **Rolf Mueller**, a resident of the Crocker Amazon for past three yeas said that he has seen what happened on 3rd Street and read the article that said the project when 168 million dollars over budget and did not do oversight, stating that they had to tear down a number of stops because they were either to low for the street car or too close. He said that while he is in favor of doing something to increase public transit reliability, but said that his concern is that the city has no idea how to oversee theses projects. Furthermore he said that these bureaucrats have not even talked to the small business people that will be impacted by this. **Janet Campbell**, an architect living two blocks from Geary and Jordon Park said that she has 30 years of experience, having worked at MARTA, an agency similar to BART in Atlanta as a Planner. She said she worked on five station layouts and one major train station. At MARTA she said their main mission was to do no harm to the existing fabric of the city, adding that they paid residences and businesses that were effected, and said that they trained them as planners to understand what happens between stations, adding that no amount of aesthetics makes up for ready access issues. She said parking is key and you need to have 4 to 5 parking slots per 1,000 square feet of business and retail space, stating that this is in practically every planning code in the country, adding that this city's planning department has told her that they do not want any more cars in the city, and that the husband could have the car and the wife and kids do not need cars. She said that the worst thing in her opinion is the desire to destroy one block to build high rise housing, which she said does not work. **Jack Reil** a merchant on Geary said that in 1971 when they had to dig up the Masonic Trench at Fillmore, the merchants at that time had to deal with detours and ended up having to sue the city in order to get compensated. He said Geary was designed to be a thoroughfare, stating that Mayor Christopher called it the "Great Wide Way". He said that he asked what happens to the people around that area when they fill the trench, stating that they don't have an answer to that question.

Furthermore he said there are questions about the detours, stating that they will be added traffic on all the surrounding streets, not only California, and said that they haven't addressed those concerns either, stating that for those reasons the vote ought to be no. **Daniel Abraham** said that he would like to offer a different perspective, stating that he hails from LA where public transportation is non existent. He said he does not feel that there is a problem with the bus system here, adding that people that move to the Richmond know that there only way to downtown is via the bus and they are fine with that. He said he knew that moving there. He said he feels a sense of community in the Richmond which is due in part to the merchants and the services they provide to the people of the neighborhood. He said he believes that this sense of community that he feels will be threatened with BRT. **Richard Warner**, President of Jordan Park Improvement Association and CAC member, and a fifth generation San Franciscan said that he has lived through many of the city's transit projects including Bart, and said he fears that vehicular traffic will forever be changed, as well as the fabric of Geary, most importantly the merchants. He said that the merchants will never recover if the 30% parking is removed form Park Presidio to 30th, adding that those slots are used often and impact the lane of traffic. He said he is concerned that implementing BRT would in that case, cause the existing three lanes on to be funneled into one lane, which would have an impact on emergency vehicles needing to get through. He said it is a real fear of his. **Mike Puente** a business owner on Geary said that in May 2006, his business experienced a 50% loss of business as a result of some work that PG&E was doing on his block, adding that they were only there a week, but that was enough to impact his business significantly. He said he is very concerned with the impacts BRT will have on his business and said it might put him out of business. He said he has attended some of the meetings and said that he was aware that Mr. Heller and others had been calling for an economic impact study, but said that they continue to be told that they will not be doing one. He said that all that they have wanted from day one to an economic impact study that perhaps could be conducted by a third party that will lay out the impacts. Finally he said that in his opinion he did not feel that the project had been properly vetted with the true facts, stating that they have not clearly explained the projects and said that their assumptions are just that, adding that they have not provided any proof or data. **Gaspare,** a resident of the Richmond since 1979 and business owner for over 20 years at Geary and 28th said that every night he hears about parking problems from his customers. He said the presentation was sugar coated and is not a reality. He said if the city cares about businesses and residents of the Richmond, it will scrap this project, and said that they ought to put that money into building additional parking garages for residents, businesses, merchants and visitors. Furthermore he said that focus should be allocated to cleaning the neighborhood instead. He also said that his employees are feeling nervous about potentially loosing their job and said the construction time would go over the estimated 6 to 8 weeks. **Leah Shaham,** Executive Director of the Bicycle Coalition thanked the MTA staff for their work and the Mayor's Office for their support of the project. She said the city's biggest fault is not thinking city wide and said that the city is not doing enough. She said they are in favor of Geary BRT and expressed concern in hearing that folks think the Richmond is a auto oriented neighborhood. However, she admitted to driving out there because she said transit is so unreliable, making it difficult to get out there. She said she would visit more often with BRT and said she hoped the neighborhood would welcome transit riders, stating that there are thousands of them. She briefly mentioned Valencia Street, stating they heard a lot of the same concerns then, but said that business has shot up and only 4 businesses have said it has hurt them. **Stephen Cornell** of Polk Street Merchants asked where they anticipate the increased rider ship come from, stating that unless they plan to build more housing, where would it come from. He wondered why BRT is needed, stating that they are only telling half of the story, and asked why the overpasses at the intersection of Masonic and Fillmore have not been included in the project, adding that it could be a nightmare. He said that nothing should be done until those intersections are part of the project and they understand the impacts. He commented on the resurfacing projects, stating that he has experienced two similar projects in his neighborhood in the 30 years he has been there, and said it never works on time, taking much longer than planned creating a huge impact. Finally he expressed his frustration with the fact that an economic impact study is not part of the project given the fact that Geary is wall to wall businesses, stating that it would only be right to do it. **Jim Maxwell**, President of the San Francisco Council of District Merchants submitted a letter for the record and said that they drew it up last fall and it is an open letter. He said most of the

issues have already been raised and said that the issue is much larger than just Geary BRT. He sad the issue has to do with the way small businesses are treated in the city. On the one hand you have Prop. I which promised than an economic analysis of proposed projects and legislation, which he said has not happened yet. He said that the Chamber of Commerce had to sue the city to make that happen, stating that here you have a huge project effecting 60 blocks and a lot of small businesses, not only those on Geary, but those in the surrounding areas. He asked the Commission to send a strong message to the MTA and the Board of Supervisors that this project should not go forward without an economic impact analysis. **Gerald Hushakudo**, with the Richmond Community Association and a long time resident of the Richmond since the 1970's. He said that the city's policy ought to be public safety first then transit. He said that within the city's transportation element of the general plan there is table 3, which is the guide to vehicle circulation and said that, which for Geary Blvd, says that Geary to the extend possible most east west travel shall be channeled on to this street to divert traffic from nearby residential streets. He said that this plan would do just the opposite. Furthermore regarding the information that was presented about traffic on the other streets, he said he would like to see the raw data on that because he said he did not believe it would be one vehicle per minute that would be diverted to the side streets, but rather much higher, particularly during peak hours. He said he worked in government before and said that they have money that they need to spend, but offered that it would be a different scenario if it was their pocketbook it affected.

Dave Snyder Transportation Policy Director for Spur said that he would like to confirm the 70% number of the people in favor of BRT, stating that the number came from the David Binder study, which is scientifically valid with an error margin of 5%. He said he believes BRT will be vastly important for small businesses along Geary, stating that it will be so much easier for people to get around and do business on Geary that it will help the businesses out there, and said in fact that he believes an economic impact study would show exactly that. He warned against asking for compensation, unless businesses are prepared to pay for the added benefits. On the construction impacts he said that the bus lanes are easy to build compared to rail. Commissioner O'Connor asked if bike lanes are par of the plan. **Zabe Bent** said that they are working with folks to determine if they will be included and if so how. **Judy Birkowits** urged the Commission to not recommend adoption of this at this time. Keith Wilson a resident of the Richmond and business owner on Geary thanked the Commission for the meeting on the issue. He said he walks and well as drives in the Richmond and said the city is already bombarding businesses with a number of mandates passed at the Board of Supervisors and said that this is the tip of the iceberg that sinks the ocean liner. He believed the wrong questions are being asked by the MTA, stating that they ought to be looking at how to get the best bang for the buck, not try to spend all the money they have just to have some fancy so called cartoon that will need to be maintained, when in fact the city doesn't do a good job of maintaining what it has. He said that he is in favor of improving Muni on Geary but said that it could be done well under 200 million, adding that you could essentially achieve the same with 40 million and not tear up the street, killing the small businesses. He said these are small businesses; they deserve the city's support.

Rudyard Vance, a small business owner on Geary said that no one seems to care about them, stating that they have not even considered an economic impact analysis. He said he is an accountant so if this happens around tax time he will be put out of business. He said the presentation is very slick, everything is positive about BRT, they want BRT, but he said there will be less parking, more traffic. He said the physics are not there so they changed the assumptions and didn't tell anybody. He said it is crazy and he doesn't understand it. **Gillman Tolle** told a story about the last time he went to the Richmond for dinner stating that he was in the Tenderloin and had a discussion about how to get to the Richmond for dinner with friends, stating that he suggested Muni but everyone else thought it would take too long to get there so they drove. He said they ended up driving around looking for parking for about half and hour and said that if service was more reliable he would definitely go out there more often. He said he is confident that an economic impact study, while it should have been included in the first place, would show that bus customers are customers too. **Dr. Richardson** a resident of the Richmond for 5 years said that the express buses don't really run on Geary anyway, stating that one of them goes all the way up Balboa and the other goes off onto Bush, and did not comprehend how there would be a facilitation of increased passengers with that being the case. **John Bartas** said that he has been observing things at city hall for four decades and said he is reminded of the Muni Metro project on

Market Street, which adversely affected the area to the point where it has yet to recover. He said that the people of San Francisco voted for economic impact analysis of such projects, and said that the Commission has a responsibility and said that it behooves the Commission to take action and remind the Mayor's Office and the MTA that an economic impact study is essential to the Commission being able to perform it's responsibility on behalf of the small business community. He urged the Commission to adopt such a resolution. **Commissioner Thigpen** said that her business is located on Chestnut Street and said that the 2nd year she located there the street was resurfaced and it was not a good experience. She asked how the estimated construction time was derived. **Zabe Bent** said it was based on other BRT estimates in other similar projects and said it is just an estimate. **Commissioner Thigpen** asked why it is not feasible to do an underground tunnel with a couple of stops. She asked if other streets had been considered for the BRT instead of Geary, such as a residential street near by. **Zabe Bent** responded stating that construction time for rail is much longer than for BRT and the cost is much more as well. With regard to alternate streets, she said that Geary is the arterial street and is it the street that they want to improve, adding that morning commute is a problem. **Commissioner Thigpen** asked about landscaping stating that there are concerns that the landscaping will block the view of the merchants and wondered why they would propose anything that would block the merchants. She also asked why an economic impact study was not included in the BRT study, stating that it is essential to a feasibility study. **Zabe Bent** said that the study was a feasibility study and economic impact has not been included in these studies. **Commissioner Richardson** confirmed that monorail was not at all considered. **Zabe Bent** said that they were only looking at the feasibility of BRT, adding that monorail would be too impacted like light rail. **Commissioner Chiu** summarized the comments heard from both the public and commissioners alike and said that he believes folks are not opposed to the concept of BRT and said he could imagine a positive scenario of long term benefits outweighing the short term negatives, but said that the issue is that the details seems to be missing. He said that they seem to not have information on parking and other multiplier effects. He suggested that the Commission strongly urge the CTA to consider an economic impact study to look at the impact of the Geary BRT on small businesses.

Commissioner Chiu made a motion to strongly urge the CTA to consider doing an economic impact study/analysis of the type discussed herein and for he purposes of look at the impacts of the BRT on small businesses, stating that given that the project is projected to cost nearly $200 million, the Commission believes it is prudent to spend at least some amount on an Economic Impact Study to ensure that the project will have a positive economic impact on the relevant neighborhoods, as well as to mitigate any unnecessary impact on small businesses. Furthermore, due to the fact that the Commission heard support for an Economic Impact Study from both opponents and proponents of the Geary BRT project at their public hearings, the Commission believes that an Economic Impact Study will end unnecessary and divisive speculation about the project's impact. Commissioner Mural seconded the motion. Commissioner Thigpen offered an amendment that the Small Business Commission be involved in the drafting of the RFQ/RFP to select the consultant or person to do the Economic Impact Analysis. Commissioner Chiu accepted the amendment to his motion. Alberts seconded the amendment. The motion with the amendment stated herein was unanimously approved by the Commission.

Item 6- NEW BUSINESS
None

Item 7- GENERAL PUBLIC COMMENT
None

Item 8- ADJOURNMENT
Commissioner Ventura made a motion to adjourn. Commissioner Thigpen seconded. The meeting was adjourned at 7:38 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND
AGENDA

SF
SSC
#1
2/12/07

MONDAY, FEBRUARY 12, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE JANUARY 8, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft January 8, 2007 minutes

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

5. **DISCUSSION AND POSSIBLE ACTION TO ENDORSE FILE NO. 070120 [ORDINANCE TO ESTABLISH 120 DAY TRANSITION PERIOD FOR IMPLEMENTATION OF PAID SICK LEAVE ORDINANCE]:** Presentation by Supervisor Sean Elsbernd's Office.
(Discussion/Possible Action Item)
Explanatory Documents: File No. 070120

6. **DISCUSSION AND POSSIBLE ACTION ON FILE NO. 070020 [ORDINANCE TO DELETE WAIVER PROVISIONS CONCERNING PLACEMENT OF GARBAGE RECEPTACLES ON THE PUBLIC RIGHT-OF-WAY; AND MAKING ENVIRONMENTAL FINDINGS]:**
Presentation by Dan McKenna of the Department of Public Works.
(Discussion /Possible Action Item)
Explanatory Documents: File No. 070020

7. **DISCUSSIONAND POSSIBLE ACTION ON FILE NO. 070077 [APPROVAL OF AGREMENT WITH EARTHLINK, INC. FOR A CITY-WIDE WIRELESS BROADBAND INTERNET ACCESS NETWORK]:** Presentation by Chris Vein of the Department of Telecommunications and Information Services.
(Discussion/Possible Action Item)
Explanatory Documents: File No. 070077

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JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

8. **PRESENTATION ON UNLICENSED DOG AND CAT BOARDING FACILITIES:** Presentation by Ken Sato of the Department of Public Health and Carl Friedman, Director of Animal Care and Control. (Discussion/Possible Action Item)

9. **PRESENTATION AND FINAL REPORT ON SHOP LOCAL FIRST 2006:** Presentation by Don Shaffer, Director of BALLE (Business Alliance for Local Living Economies).
(Discussion/Possible Action Item)
Explanatory Documents: Final Report

10. **DISCUSSION AND POSSIBLE ACTION TO PROPOSE AMENDMENTS TO THE BOARD OF SUPERVISORS FILE NO. 050922 PAYROLL EXPENSE TAX EXCLUSION FOR QUALIFIED CLEAN ENERGY TECHNOLOGY BUSINESSES TO INCLUDE ALL BUSINESSES THAT PAY THE PAYROLL TAX:** Presentation by Dina Mackin, Clean Tech Manager.
(Discussion/Possible Action Item)
Explanatory Documents: File No. 050922

11. **DISCUSSION AND POSSIBLE ACTION TO SCHEDULE A RETREAT OF THE SMALL BUSINESS COMMISSION IN MARCH:** (Discussion/Possible Action Item)

12. **MEANINGFUL PAYROLL TAX REFORM:** Discussion and update on a meaningful payroll tax reform. Presentation by Commissioners Chiu and Thigpen (Discussion/Possible Action Item)

13. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

14. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

15. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

MIKE FARRAH, ACTING DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

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Small Business Commission

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February 12, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, February 12, 2007 5:30 PM

Small Business Commissioners:

Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura

Executive Director – Agnes Briones
Commission Secretary – Martha Yañez

Members Absent: None

Call to order:
Item 1 - ROLL CALL
The Small Business Commission met on Monday, February 12, 2007 in regular session. The meeting was called to order at 5:38PM.

Item 2 – APPROVAL OF THE JANUARY 8, 2007 MEETING MINUTES
Commissioner Thigpen requested that the minutes be amended to reflect her actual statement on page 6, Item 11. She stated that one possible consultant is MBIA, not that they would be the consultant. **Commissioner Chiu made a motion to approve with amendments. Commissioner Thigpen seconded. Unanimous approval from the Commission.**

Item 3- GENERAL PUBLIC COMMENT
Jean Feilmoser, President of the Mission Merchants Association stated that she has recently been under siege due to the new business Kink.com, which will take residence in the old Armory building on Mission Street. The Mission Merchants Association is a non profit organization made up of businesses and property owners who seek to improve the public safety and appearance of the district. She said Kink.com has approached them and is interested in joining, which has caused a huge uproar amongst them as well as other groups in the area, mainly non profits. She said this really isn't a morality issue, but rather a land use and business issue; do they plan to make improvements to the building and to the surrounding area. She is seeking support from the Council of District Merchants and presented a letter from the president in support of Kink.com's membership. Many media outlets including national and international have picked up on the issue and have phoned her for a response. She said she is interested in continuing to push the business of the Mission, cleaning up the area and making it a good commercial district. She reported that Kink.com has proposed to improve the area, proving security and increased lighting on their block, as well as utilizing local businesses for their needs, including local restaurants for their catering needs. She said she was not speaking for Kink.com, but said that their business will be done behind closed doors and her concern is with business in the Mission and the

ability to develop it. **Commissioner Thigpen** said that she would be interested in hearing from the Planning Department with respect to how they deal with projects which contain small business requests for development, stating that she is concerned that the proposals are not being handled in a timely manner. **Commissioner O'Connor** asked if this request pertained to prior proposals to develop the old Armory, stating that it goes back to streamlining the permit process which the Commission had taken interest in and hoped to continue to work on. He agreed with the business aspect of the new tenant and that it should be viewed as such, but said that he would have liked to see it used differently, allowing for more businesses and more jobs. **Commissioner Richardson** asked if the city had taken a position on the use of the building. **Ms. Feilmoser** responded stating that the project had already gone through the planning process and is zoned for the use intended. **Commissioner Alberts** suggested putting this on the next agenda and asked what the timeline was. **Ms. Feilmoser** stated that their next meeting would be on January 20th. **Scott Hauge**, President and founder of Small Business California and Small Business Advocates. He distributed the Governor's Executive Order regarding state procurement and small business per Supervisor Ed Jew who had called for a hearing to discuss something similar to that in the Governor's Order. He said basically he requires that city departments make an effort to do 25% of their business with small businesses and the key to this is that there is some type of oversight to ensure that this happens. He proposed for the Small Business Commission to take the lead and suggested that the Commission hold hearings and ask departments to come forth and report to the Commission, providing information on how much business they currently do with local small businesses and what their plan is to increase that number, and how they plan to work with the small business community. **Samantha Weeks**, expressed her support for WIFI agreement with EarthLink, stating that it holds so many benefits for businesses and the community, making San Francisco a better place.

Item 4 – COMMISSIONER AND STAFF REPORTS REPORT

Mike Farrah, Acting Director reported that in his role as Acting Director he had gone out to meet with some small business groups and hoped to continue to do so, including San Francisco Council of District Merchant Association Board members, San Francisco Chamber of Commerce Small Business Advisory Council, Kevin Westly of the Golden Gate Restaurant Association, and Office of Labor Standards Enforcement staff. He reported that the Paid Sick Leave Ordinance FAQ had been completed and is available on the website and would be updated regularly. With respect to the retreat he asked the Commissioners to get to him a list of three things they would like to discuss at the retreat so to help him prepare an agenda. On Small Business Week, he reported he met with the planning committee and was tasked with securing the Mayor's attendance, preparing and releasing a press statement about Small Business Week through the Mayor's Press Office, and securing necessary permits. He encouraged the Commissioners to actively promote Small Business Week to their networks and encourage participation in the weekly events. He reported he met with the Cortland merchants and said they have experienced increased crime in their neighborhood. He said this seems to be going on in many merchant corridors in the city and said that it is a concern, adding that it is also a reason that the use of cameras continues to be debated at the Board of Supervisors. With respect to Kink.com, he reported there is a hearing at the Planning Commission during the week which he encouraged Commissioners to attend to the extent that they want to voice their opinion on the issue. He also announced an upcoming hearing at the Taxi Cab Commission on whether or not to add 100 cabs. With respect to legislation he too mentioned Supervisor Ed Jew's call for a hearing on procurement and small business, as well as legislation for a street encroachment permit for Little Saigon Neighborhood, which he said is an attempt to re brand a section of Little Saigon. He said there is legislation to install safety cameras, and finally a proposed street name change in Japan Town as part of the 50th anniversary of the city's Sister City program with the city of Osaka. Finally he reported that Muni is currently considering transportation improvement projects, stating that new neighborhoods are being created and Muni needs to address how to bring service to those neighborhoods. He suggested this may be an issue of the Commission to consider at a future meeting. Commissioner Ventura, speaking to Small Business Week, reported that the committee had been able to fundraise $94,000 of the budgeted $100,000 needed to put on Small Business Week. He said they would need to secure and additional $6,000 and said he would be working on that. On another subject he reported that he recently met

with a representative of the American Conservatory Theatre (A.C.T) regarding some issues with aggressive panhandling and homelessness in and around their theatre. He said they are interested in the city's 10 B program in which they would pay to hire off duty SF Police Officers as security for the area; however he said there have been some recent changes and increase in fees that make it very difficult for them to do so. He reported that he would work with the Mayor's Office of Economic Development to look at the possibility of a Community Benefit District in the Area. **Commissioner Thigpen** agreed that the Commission ought to discuss Muni's transportation effectiveness project, stating that there are several issues of concern to her regarding Muni, including the fact that the fast pass is not sold after the 7th of the month. She reported her efforts on a new Eat Local campaign that she was working on stating that there would be a menu available soon. **Commissioner Alberts** asked about Small Business Week budget and wondered if any of it came from the Commission's budget. **Commissioner Ventura** reported that $25,000 was left over from last year's event and said it was all corporate sponsorship money.

Item 5 –DISCUSSION AND POSSIBLE ACTION TO ENDORSE FILE NO. 070120 [ORDINANCE TO ESTABLISH 120 DAY TRANSITION PERIOD FROM IMPLEMENTATION OF PAID SICK LEAVE ORDINANCE]

Supervisor Sean Elsbernd stated that the legislation is an ordinance that he introduced along with Supervisors Peskin and Jew and would be up for a vote at the full Board the following day. He said the legislation does not delay Prop. F, but if passed it would still require employers to account for hours worked, and allows employee to take sick leave. Additionally, from now to June 5th it allows employers to pay out for sick time, but gives the option of not paying. He said it allows for a bit of a grace period on penalties. **Commissioner Chiu** thanked the Supervisor for all his work as well as the other Supervisors who signed on to it. He said he was prepared to make a motion to recommend adoption of the ordinance. **Commissioner Thigpen** also thanked Supervisor Elsbernd, stating that it attempts to address the problem that OLSE faces of not able to answer a lot of the questions of abuse. **Commissioner Alberts** also thanked the Supervisor. She asked what kind of advice and accountability is suggested to employers in the way that they will not be challenged, asking if there will be a uniform form. **Supervisor Elsbernd** said that there would not be a uniform form. **Scott Hauge** applauded the Supervisors for brining this legislation forward. He suggested that the Commission support it. He also praised Donna Levitt, stating that she is charged with a very difficult task but has always been very responsive. He said that as part of this there will be an advisory group to iron out the issues and said that it was very critical for the Commission to have a seat on that committee. **Linda Mjellum** of the Union Square Association said that she wished to add her voice to the choir, thanking the Supervisor for the legislation, stating it is important as there continues to be many unanswered questions. She urged the Commission to approve the legislation.

Commissioner Chiu made a motion to recommend that the full Board of Supervisors pass the ordinance. Commissioner Alberts seconded. Unanimous approval from the Commission.

Item 6 – DISCUSSION AND POSSIBLE ACTION ON File No. 070020 [ORDINANCE TO DELETE WAIVER PROVISIONS CONCERNING PLACEMENT OF GARBAGE RECEPTABLES ON THE PULBIC RIGHT OF WAY; AND MAKING ENVIRONMENTAL FINDINGS

Item tabled

Item 7- DISCUSSION AND POSSIBLE ACTION ON FILE NO. 070077 [APPROVAL OF AGREEMENT WITH EATHLINK, INC, FOR A CITY-WIDE WIRELESS BROADBAND INTERNET ACCESS NETWORK]

Chris Vein of the Department of Telecommunications and Information Services stated that in the past year and a half the city had been doing research and exploration around a city wide WIFI network. He said they issued an RFQ to gage the publics and business community's thoughts around WFI. He said they signed an agreement in the beginning of January that was sent to the Board of Supervisors and is currently under 30 day rule. He said the agreement would provide free and affordable WIFI access in the city, which would take place at no financial commitment to the city, adding that the partners would doing everything, stating that the city would allow them access to the city's rights of way (poles etc) in exchange for their work. He said the agreement allows the city to collect money for higher speed

access, which will be used to help bridge the digital divide. Furthermore he said the city would get $600,000 in prepayment as well as $100 for every pole used. He said that they crafted the agreement in terms that made sense to the city stating that it is a 3 year agreement with the potential for 3-4 more years, and said that it is not an exclusive agreement, stating that they have required EarthLink to open the network which will allow for competition. **Commissioner O'Connor** asked how the company will get money back on their investment. **Chris Vein** said that they would make their money by providing the higher connection for a fee, and by charging others a wholesale access fee. For example, if AOL wants access they would have to pay EarthLink a fee. **Commissioner Thigpen** asked if it would be possible to include in the contract a discount for ads for small businesses. She asked if it was correct that service would only go up as far as the 6th floor, and asked what about businesses and residents that live above the 6th floor. **Chris Vein** said he would take her suggestion back to them. Regarding access above 6th floor he said it is a problem that they are trying to work out.
Commissioner Murad asked how much the fee would be for higher speed connection. **Chris Vein** replied stating that the fee for higher speed access would be about $20 including upgrades and maintenance. **Commissioner Chiu** thanked Mr. Vein and said that he supported the city's vision to provide access to all, but said that there seems to be a lot of questions such as what out does the city have if EarthLink does not meet its contractual agreement. **Chris Vein** addressed his concern stating that an out would be the short agreement and clause that EarthLink must provide services at a rate and speed in which service is provided in other cities. **Commissioner Chiu** said he had been following the discussions at the Board of Supervisors around this issue and said he was troubled by the Budget Analyst report that suggested looking into a city run WIFI. He asked why the city should not wait for more information before proceeding with the agreement. **Chris Vein** said that the study does not support its own conclusions, stating that in fact 10 of the cities that they looked at are going with a private public partnership. He said that the financials in the report are questionable and said that the risk is not appropriate for the city to undertake, stating that they had looked into it but decided against it. Commissioner Richardson asked how it would help independent small book stores, stating that the internet has hurt these stores. **Chris Vein** suggested that it would help them because they would now be able to compete with the online stores. **Stephen Cornell**, owner of Brownies Hardware asked if the connection/installation would happen all at once or would it be done in sections stating that when cable arrived, it was done in sections and some folks did not receive it until much later than others. **Chris Vein** said that this is different than cable which needs to be laid down thus the reason it took long and done in sections. He said the agreement states that it must be done within 18 months.
Commissioner Chiu suggested putting the issue off until more dialogue could be had around it. He asked if it was true that the agreement did not need to be signed for another 5 months. **Chris Vein** talked about the importance of bridging the digital divide sooner rather than later and said that was and continues to be the reason they began discussing this in the first place, adding that every day delayed is one more day that people don't have access. **Commissioner Thigpen** asked about the health risks of providing the service and wondered if she should be concerned. **Chris Vein** said that the health impacts are negligible and said that it is less than the use of cell phones to the head.
Commissioner Murad made a motion to support the agreement. Commissioner Thigpen seconded. The motion passed 6 to 1.

Item 8- PRESENTATION OF UNLICENSED DOG AND CAT BOARDING FACILITIES
Ken Sato, Director of Food and Consumer Safety at the Department of Public Health, Environmental Health Section reported that he had come to answer questions about kennels. He reported that the Health Department does issue the permit to operate kennels in San Francisco. Kennels are defined as maintaining more than 3 dogs over 24 hours continuous time, stating that when someone applies for a permit, Health Department sends them to City Planning for a zoning referral and instruct them to pull a Building Permit Application for construction. Thus he said the Health Department is part of the permit process, stating that they review the plans and sign off on them. Additionally he said that if they receive a complaint, they do go out and investigate. He stated that currently there are 7 kennel permits issued by the City with 2 additional pending, and 3 pending notices of violation for illegal operation of kennels. Commissioner Thigpen asked about the listings in the phone book of which there are well over 7. Mr. Sato said that they had received referrals from the Treasure's Office of over 20

businesses from the phone book which they had followed up on. He said that of those, three have received notice of violation, and the rest are permitted as pet hospitals. **Commissioner Thigpen** asked about ads on Craigslist and those that advertise on their property. **Mr. Sato** said that his inspectors go out on a complaint basis, adding that they do not drive around looking for violators. Commissioner Richardson asked what the difference between a pet hospital and a kennel is. Mr. Sato said that the main difference is the health issue, stating that a hospital is for medical purposes and said that they may not house the dogs overnight. Where as kennels provide boarding if the owners want or need to go out of town. **Commissioner Richardson** asked if there were any health requirements for kennels. **Mr. Sato** responded that there are and said that they mainly have to do with the structure including proper ventilation and drainage, as well as garbage and rodent issues. **Commissioner Murad** asked how many pet hospitals are licensed in the city. He said it seemed there should be more licensed kennels. **Mr. Sato** said that it is hard to tell the actual business activity from an add, stating that some of the businesses may be day grooming type businesses, while others may be dog walking type businesses, neither of which would keep dogs overnight thus not need the kennel permit. **Carl Friedman**, Director of Animal Care and Control said that boarding facilities are necessary in San Francisco and said that they provide an important service for those individuals that own companion animals. He said the role of his department is strictly animal welfare, and said that if there is an abuse or neglect issue they will investigate and prosecute as necessary. He said the issue is that there are about 120,000 dogs in the city and the businesses that have sprung up to deal with this growing fraction of the city over the past few years, have out stripped the capacity of the agencies to keep on top of them. **Commissioner Richardson** asked what services a licensed kennel gets from the city for being licensed with the city. Mr. Friedman said that they inspect the facilities to make sure they are safe for the animals. **Commissioner Thigpen** said that she was shocked that there has not been more investigation into this matter and asked if there was a class 4334 in his department. She asked the same of Mr. Sato. **Mr. Freidman** said that their Animal Control Officers, while not a 4334, do have Peace Officer status and can arrest people and carry fire arms. **Mr. Sato** said that they also have investigator classification. **Commissioner Thigpen** said that the Treasure and Tax Collector does have a class 4334 and suggested that the agencies collaborate to look into this further. She said that the onus ought to be on the city not public. **Mr. Sato** also suggested that the public should ensure that the business they are doing business with is licensed. **Mr. Friedman** said that he agreed but said that they do not have the authority to cite a business for lack of a business license but if they find one that is unlicensed they do contact zoning and Public Health. **Mark Klaiman** owner of Pet Camp, a boarding facility in the Bayview said that it took him over 18 months to find a place suitable per the city's zoning code, and said he incurred a lot of costs to come in compliance with the city's health code. He said he is concerned that the city is not fairly and equitably enforcing the rules resulting in an unfair advantage for those in compliance. He said that the city knows of facilities not in compliance, stating that he had done a sunshine act request and provided a list of 7 facilities not in compliance and said the city has failed to investigate them. He said the issue is really about equity, the city should enforce its rules equitably so that no small business is put at a competitive disadvantage. He presented a letter of support from the American Boarding Kennel Association, an international industry group that works with boarding facilities asking the city to do the same thing, basically why have rules on the books if they will not be enforced. He said it is harmful to consumers and pets alike for these facilities to go unlicensed. Furthermore he wondered what else these businesses may not be in compliance with, sick pay, workers comp. for example, stating that one has to wonder. **Susan Rouse**, owner of Reigning Dogs and Cats said that the issue is that there needs to be follow through, stating that she has asked about places and they have yet to investigate them, stating that they continue to operate in the meantime. She also reiterated Mr. Klaiman's concern about equity, stating that she has been a good business owner for the past five years, she is happy to pay her share in order to do business in San Francisco, but said that it needs to be fair, adding that it is disheartening to see these places operate illegally. **Douglas Bunker**, one of the owners of SF Hound Lounge Dog Daycare facility that operates 7AM to 7PM. He said that this issue is forgetting a few things, stating that it also involves the City Attorney's Office and Zoning and said that with out the help of the four agencies, it will not do any good for anyone. He said it took him two years to find a legally zoned facility and lots of money. He said that he contacted the Department of Building Inspection 2 years ago to complain about unlicensed

facilities only to be told after much follow up that they didn't have the time to deal with this, and quoted them as stating that for the northeast section the priority cases are illegal billboards and situations of serious neighborhood impacts, as such doggy day care has not been a high priority case since you have been the only one complaining. He said that he too had a list of illegal day care and boarding facilities. He complained about the Department of Public Health stating that he had approached them five years ago and asked them what he needed to do to operate a boarding and kennel facility and was told that they didn't know what he was talking about and referred him to Animal Care and Control. He said that four months ago he went back to the Department of Public Health only to be told the same thing. However he said that recently he was visited by inspector Martinez of DPH who asked him for his kennel permit and said he went back to DPH and again was told they didn't know what he was talking about, gave him an application for a restaurant, charged him $355 and said good luck. **Commissioner Richardson** asked for a list of the unlicensed facilities mentioned. **Commissioner Ventura** asked staff to send Mr. Sato a copy of all the unlicensed facilities received this evening. Mr. Sato also submitted for the record a list of those facilities that his department had already investigated. **Commissioner Thigpen** suggested that staff meet with the various agencies to discuss how to address the issue and growing problem. **Acting Director Farrah** agreed to set up an interdepartmental meeting to further discuss the issue. **Kimberly Durandet** of the Planning Department said that she had worked on an interpretation for Doggy Day Care and said that they had likened it to animal grooming businesses. She said Planning staff has been working on this issue, stating that they are looking at several factors and said she would be happy to share their findings with staff.

Commissioner Thigpen made a motion to direct staff to write a letter to the various agencies involved to inquire about their investigator staff positions. Commissioner Alberts seconded. Unanimous approval from the Commission.

Item 9 – PRESENTATION AND FINAL REPORT ON SHOP LOCAL FIRST 2006

Don Shaffer, Director of BALLE (Business Alliance for Local Living Economies) reported that Shop Local First 2006 had been a successful event stating that the reason for it is to support local small businesses and local artisans among them. He said that they reached about 500 employers by canvassing the neighborhoods. Coupled with the media coverage including several of the local papers, he said it resulted in a great public relations campaign for both the Commission and the Mayor. He reported that the Union Square event had included 34 vendors, many of which sold out. He said that 75% of the Union Square participants said the event was valuable to their business, only 2 said it was not helpful. **Commissioner Thigpen** said that many businesses kept the posters up and said she has continued to see them in storefronts. **Commissioner Alberts** asked how much their contract had been for and if participants of the Union Square event had been charged to participate. She said she would like to know how this event compares to other events that they participate in.

Item 10 – DISCUSSION AND POSSIBLE ACTION TO HOLD PROPOSE AMENDMENTS TO THE BOARD OF SUPERVISORS FILE NO. 050922 PAYROLL EXPENSE TAX EXCLUSION FOR QUALIFIED CLEAN ENERGY TECHNOLOGY BUSINESSES TO INCLUDE ALL BUISNESES THAT PAY THE PAYROLL TAX

Item tabled

Item 11 – DISCUSSION AND POSSIBLE ACTION TO SCHEDULE A RETREAT OF THE SMALL BUSINESS COMMISION

Commissioner Alberts said that she did not think there should be a retreat with out Director Ubalde. Acting Director Farrah said that whatever comes from the retreat would be a working document and said he had notes from Director Ubalde including things that she would like the Commission to work on. **Commissioner O'Connor** said that the majority of the Commissioners seem to want to have a retreat sooner as opposed to later and suggested perhaps meeting for half a day instead of a full day. **Commissioner Chiu** made a motion to direct staff to identify a date for a half day retreat. **Commissioner O'Connor** suggested for the Commissioners get their availability for the first week of March to Secretary Martha Yanez.

Item 12– MEANINGFUL PAYROLL TAX REFORM
Commissioner Thigpen and Commissioner Chiu announced that they did not prepare a proposal as previously discussed for this meeting and said that they would be meting with Supervisor Peskin in the next week. They said there are several interested people and said they would be discussing the issue of a working group and would report back at the next meeting.

Item 13- NEW BUSINESS
Commissioner Thigpen said that she had previously requested to place on the agenda the budget for discussion, stating that she was concerned because of the approaching deadline for submittal of the budget to the Controller's office. **Commissioner Chiu** said that he would echo that sentiment but also asked staff for guidance on how to request additional staff for the Commission. **Commissioner Alberts** requested to get information on the Commission's current expenditures and balances, as well as an itemized statement of last years budget and how it was allocated. **Commissioner Thigpen** said that the budget is due to the Controller on February 21st and suggested that the Commission hold a special hearing to discuss and put forth a budget. She said this was important to the extent the Commission wants to request additional staff. **Mike Farrah** said that he would work with staff and figure out the timeline for submitting the budget. He said he would work to put something together to present either at a special meeting in the next week, or in the near future. **David Popel** of the Sunshine Ordinance Task Force advised the Commission that under Charter Section either 4.101 or 4.102, Chartered Boards and Commissions are required to submit a budget to the Mayor's office by the deadline, which this year is February 21st, and adopt that budget following a public hearing. **Commissioner Ventura** requested to place on the agenda a discussion and update on community meetings, stating that he had not yet confirmed a Polk Street merchant walk nor meeting since he had not been able to make contact with the Lower Polk merchants.

Item 14- GENERAL PUBLIC COMMENT
None

Item 15- ADJOURNMENT
Commissioner Thigpen made a motion to adjourn. Commissioner Richardson seconded. The meeting was adjourned at 8:25 P.M.

all 8

SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND
AGENDA

SF
S52
#1
3/12/07

MONDAY, MARCH 12, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE FEBRUARY 12, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft February 12, 2007 minutes

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

5. **SMALL BUSINESS AND CITY PROCUREMENT PRACTICES:** Presentation, discussion and possible action on Supervisor Ed Jew's request for a hearing on the above subject matter. Presentation by Supervisor Ed Jew (Discussion/Possible Action Item)

6. **NEIGBORHOOD MARKETPLACE INITIATIVE:** Presentation, discussion and possible action on the City's Neighborhood Marketplace Initiative. Presentation by Amy Cohen, Project Manager of the Mayor's Office of Economic and Workforce Development, Tracy Everwine of Urban Solutions, and Desiree Sideroff of LISC.
(Discussion/Possible Action Item)

7. **PAYROLL EXCLUSION FOR CLEAN TECH BUSINESSES:** Presentation, discussion and possible action to propose amendments to the Board of Supervisors File No. 050922 [Payroll expense tax exclusion for qualified clean energy technology businesses] to include all businesses that pay the payroll tax. Presentation by Dina Mackin, Clean Tech Manager, Mayor's Office of Economic and Workforce Development (Discussion/Possible Action Item). Explanatory Documents: File No. 050922

8. **PUBLIC WORKS-GARBAGE RECEPTACLES:** Presentation, discussion and possible action on File No. 070020 [Ordinance to delete waiver provisions concerning placement of garbage receptacles on the public right-of-way; and making environmental findings]. Presentation by Dan McKenna of the Department of Public Works (Discussion/Possible Action Item). Explanatory Documents: File No. 070020

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JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

9. **SIDEWALK REPAIR AND IMPROVEMENT PROGRAM:** Presentation, discussion and possible action on the Department of Public Works Sidewalk Repair and Improvement Program. Presentation by Dan McKenna of the Department of Public Works (Discussion/Possible Action Item)

10. **JOBS FOR YOUTH:** Presentation, discussion and possible action on the Jobs for Youth program. Presentation by Yuri Dew, Director of Jobs for Youth of the United Way. (Discussion/Possible Action Item)

11. **BUDGET DISCUSSION:** Presentation, discussion and possible action on Fiscal Year 2007/2008 Small Business Commission budget. Presentation by Acting Director Mike Farrah (Discussion /Possible Action Item)

12. **SMALL BUSINESS COMMISSION COMMUNITY MEETINGS:** Discussion and update on the Small Business Commission's community meetings. Discussion by Commissioners and staff (Discussion /Possible Action Item)

13. **MEANINGFUL PAYROLL TAX REFORM:** Discussion and update on a meaningful payroll tax reform. Presentation by Commissioner David Chiu and Commissioner Jordanna Thigpen (Discussion/Possible Action Item)

14. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

15. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

16. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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SAN FRANCISCO, CA 94102
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Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

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Small Business Commission

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March 12, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, March 12, 2007 5:30 PM

Small Business Commissioners:

Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones
Commission Secretary – Martha Yañez
Members Absent: None

Call to order:

Item 1 - ROLL CALL

The Small Business Commission met on Monday, March 12, 2007 in regular session. The meeting was called to order at 5:40PM.

Item 2 – APPROVAL OF THE FEBRUARY 12, 2007 MEETING MINUTES

Commissioner Chiu made a motion to approve the minutes as submitted. Commissioner Ventura seconded the motion. The motion was unanimously approved by the Commission.

Item 3- GENERAL PUBLIC COMMENT

None

Item 4 – COMMISSIONER AND STAFF REPORTS REPORT

Mike Farrah, Acting Director reported that he met with folks from the 311 call center to discuss the relationship between the SBC and the 311 call center, stating that ideally the operators will at some point be able to answer specific questions, but for the start up phase it will be primarily informational. He pointed out an editorial in the Examiner about the status of small business in the city stating that the city could do more to attract small business to the city. He announced a couple of upcoming events/trips hosted by the San Francisco Chamber of Commerce, the first being the CityState Lobbying Trip to Sacramento, April 16 and 17, stating that he planned to attend at his own expense not the Commission's. The second is the Chamber's annual City Trip, a public and private sector delegation of leaders who will visit Boston this year to help shape an agenda to advance San Francisco's regional competitive advantage, attract new industries and enhance the quality of life in San Francisco. He said that some Commissioners may want to consider going on the City Trip and said it will be interesting to see what some of the best practices are in other cities. He reported that there are three community based meetings in the next week that he planned to attend, including Merchants of Upper Market and Castro, Glen Park Merchants and Ocean Avenue. He reminded Commissioners of the scheduled retreat of the Commission on Friday from 9am-12 Noon and asked Commissioners to get him the items that

they would like to discuss. He said one thing to discuss would be for the Commission to come up with a mission statement. The location of the meeting will be in City Hall, Room 201 and is open to the public but will not be televised. Commissioner Ventura gave an update on the Department of the Environment's SF Energy Watch program stating that it kicked off on February 9th. He reported that there are currently 5-6 auditors on board and they have 30 businesses on a wait list thus far to be serviced by them. He said they also have scheduled four presentations to merchant groups to inform them about SF Energy Watch. He said that they are also prepared to do merchant walks with the Commission in order to expand their outreach and said that they have posters and flyers that are being distributed to the many merchant associations and corridors. **Commissioner Thigpen** gave an update on Small Business Week stating that planning is going well with the Kick-off event planned for Monday, May 7th and the sidewalk sales on the Saturday prior, or Saturday, May 5th. She said that there is a great program this year that will hopefully include a Green Business Celebration stating that they are in talks with PG&E to sponsor such an event in partnership with the Let's Green the City Initiative. **Commissioner Ventura** said that the website for Small Business Week would be made available the first week of April with a detailed list of all events for the week. **Commissioner Alberts** echoed the remarks made by Acting Director Farrah about he editorial on small business and specifically pointed out two articles in the latest edition of the San Francisco Business Times. She publicly acknowledged and thanked the Business Times for being an advocate for small business and for their support. **Commissioner O'Connor** reported that he met with Supervisor Ed Jew and announced that he would be presenting an item for the Commissions review and consideration. He reported that he also spoke at the Jobs for Youth Business Breakfast and said that Yuri Dew would be talking about Jobs for Youth later on the agenda stating that she is doing a great job. He encouraged small businesses to provide jobs for youth. He reported that he filed for a fictitious business name and said that he would like revisit this issue at a later date, stating that the fact that the name must be published in a court approved newspaper seem a bit dated.

Item 5 –SMALL BUSINESS AND CITY PROCUREMENT PRACTICES

Supervisor Ed Jew, District 4 Supervisor said that he had called for a hearing regarding small business and city procurement practices because he would like to know why the city only does roughly 15% of its business with small businesses. With over 100,000 small businesses in San Francisco, he said it is high time for the city to do more of its procurement within San Francisco, providing increased opportunities for small businesses. He said that in his tenure he hopes to be that small business advocate and encouraged the Commission to look at the city's procurement practices. As a third generation small business owner along with is wife, he said this was very important to him and said that he would make sure to have his aid attend each Commission meeting and closely follow the work of the Commission. Small businesses are the economic engine of the City and to that end he said he would work to create or tweak legislation that would benefit them. He introduced Barbara Meskunas, his Aid, who he said would be the point person to the Commission and also serve as an advocate for small business. He said he looked forward to working with the Commission and asked for their support on this issue. He reported that the hearing would take place in the City Operations and Neighborhood Services Committee and he would be sure to inform the Commission of the date. **Commissioner Chiu** thanked Supervisor Jew and said that the Commission is happy to have a member on the Board of Supervisors with experience running and operating a small business in the city. He said that there is certainly a desire among the small business community to increase procurement opportunities for small businesses and offered his support for making that a reality when appropriate. **Commissioner Murad** thanked Supervisor Jew for his efforts and for recognizing that small business is the backbone of the city's economy and offered his support to that regard. **Commissioner Thigpen** echoed these sentiments and thanked the Supervisor for bringing this to the forefront. She recognized a former president of the Commission Stephen Cornell who sat in the audience stating that this issue has been a key issue to him and many other small business people dating back several years. She commented that over a year ago Mayor Newsom had his staff and others look into this matter and said that there does not seem to be a benchmark but there ought to be. Furthermore she said that it was her understanding that individual departments had discretionary funds that could and should be spent at local small businesses and said there is a lot more that the city could do but is not doing. She reported

that John Rizzo of the Community College Board had recently expressed an interest in having a joint hearing on this very issue, particularly as it pertains to construction contracts and she offered that as a suggestion for the Supervisor to consider. **Commissioner Ventura** agreed with Commissioner Thigpen's comments and said that what she referred to was the Mayor's Executive Directive which focused on improving small business participation in city contracting. He said that they worked closely with the Human Rights Commission and he suggested including them in this process. **Acting Director Mike Farrah** commented on the Governor's website which he said was more of a small business website and sets a goal of 25% procurement with small business. He said the Governor has made it a priority of his administration and said that there are certainly things that can be changed for the better. He said he would be looking to meet with the Purchaser on this issue soon. **Stephen Cornell**, a member of the public stated that the City has a practice of buying goods and services at the cheapest possible price yet when it comes to paying their employees they offer prevailing wages, some of the highest wages. He said this is due in part to offset the high cost of living, but offered that the City may want to take the same approach with businesses as it does with its employees in the interest of keeping businesses here and having them compete, adding that much of this has to do with attitude. He concluded by saying that the good thing of requiring it is that it will happen.

Commissioner Chiu made a motion for the Commission to support the concept of clarifying City purchasing to steer more purchasing to locally owned businesses that employ San Franciscans. Commissioner Thigpen seconded. Unanimous approval from the Commission.

Item 6 – NEIGHBORHOOD MARKETPLACE INITIATIVE

Amy Cohen, Project Manager of the Mayor's Office of Economic and Workforce Development reported that the Neighborhood Marketplace Initiative actually stemmed from the Small Business Commission some years ago when the Commission had grant monies available. She said that in 2004 then Director Julie Brandt approached LISC for help starting Community Benefit Districts (CBD), which LISC was happy to assist with. However, LISC knew that there were some neighborhoods that were closer than others to having a CBD and that those that were not quite ready, neighborhoods in which the merchants were not engaged or there was no active merchant association, and in which the landlords fore the most part were absentee, would need extra work. Realizing that she said the City entered into a contract with LISC to work in these neighborhoods, which are mainly in the Southeast sector of the city, and said that this included a comprehensive commercial corridor revitalization, of which the result is the Neighborhood Marketplace Initiative or NMI. She said the goal of the NMI is to culminate into a CBD. Since then she said the program has been institutionalized with dedicated staff in the Mayor's office and in the neighborhoods. She said LISC provides funding and assistance along with Urban Solutions, the newest partner, which assists with business attraction. The neighborhoods in the NMI are, Mission Street in the Excelsior, Ocean Avenue near City College, San Bruno Avenue in the Portola, Leland Avenue in Visitation Valley, Polk Street and Divisadero Street, all but the latter two of which count with a commercial corridor manager in the neighborhood. She said the corridor managers spends half their time and sometimes full time working with merchants and other community stakeholders on a whole number of interventions around improving the neighborhood. With regard to Polk Street and Divisadero she said there is a part time staff person in the Mayor's office who is working on the beginnings of a program in these areas. She also reported that they are in process of developing a staffed program for Third Street in the Bayview, and said that all of this is important to the City's work because it helps connect the City to the community. For example she said the corridor manager help market several of the City's programs and initiatives including the Façade Improvement Program and DPW's Corridor program, as well as events such as Small Business Week and Shop Local First. She introduced Desiree Sideroff of LISC to explain LISC's role in the NMI. **Desiree Sideroff of LISC** explained that she runs the Economic Program for LISC which is a national organization with 35 offices in the county. She said their mission is do local capacity building in low income neighborhoods to create community of choice and includes supporting affordable housing developments, local residents and local merchants. She said that while LISC does a lot of affordable housing development, there are about 15 offices nationwide that have the economic component that San Francisco has, which allows them to run main street programs and commercial corridor programs. She said LISC has been working with the city for a number of years and said that they get funding from HUD, which allows them to give

some capacity building grants in low income neighborhoods to support the commercial corridor programs. In order to do this they start with the long planning process in which they help the neighborhood groups engage local stakeholders and work with them to identify a community action plan which consists of doing market analysis and identifying the top business attraction priorities and other key issues neighborhoods face to come up with a priority list and action plan. She said from this they are able to jointly fund with the Mayor's Office or others, one staff member to help the neighborhood group in implementing their priorities, and said that their work in San Francisco is very important and helps to offset some of the current pressures being faced by merchants, and said they want to keep businesses here and help them thrive as well as to attract the type of neighborhoods serving retail that people really want to see in their neighborhood. Another role that LISC plays is to ensure that there is community oversight and community involvement throughout the process and said that LISC continues to offer technical assistance and support to the corridor managers once in place by providing them with continuous resources. She introduced Tracy Everwine of Urban Solutions, one of the programs that LISC is currently working with. **Tracy Everwine,** Project Director for Urban Solutions, an economic development non profit in the South of Market in San Francisco specializing in commercial corridor revitalization said that Urban Solutions began their business attraction work to augment the efforts of the Redevelopment Agency in the South of Market Project Area. She said they focused in particular on 6th Street from Market to Harrison, which was plagued with 40 vacant retail spaces, adding that the spaces were vacant for a number of reasons. She said many of the landlords had no interest in renting these spaces because their focus was on residential spaces which were above the first floor commercial spaces. She said that Urban Solutions worked really hard to identify the vacancies and to work with the landlords to encourage them to lease the spaces. She reported that since 2003, on 6th Street alone, they have brought in 21 new businesses, of which only 4 did not make it. Since then she said they have attracted 6 additional businesses, and said this is due in large part to the fact that they are essentially providing brokerage services for free. She reported that they are now doing similar work in the six other NMI corridors, and directed the Commissioners to a list of the properties they are working with. She said these are businesses that the community is very excited about having in their neighborhoods. Their goal is to understand the goals of the communities that they work in and to bring in businesses that will thrive in the respective corridors and that will be well received by the community. Since they began work in the NMI corridors in October of last year she reported that they have helped to facilitate leases for 3 new stores, 1 on Polk Street and 2 on Leland Avenue, generated over 191 calls from prospective tenants; and shown spaces 129 times. She said they are very pleased that MOEWD and LISC have recognized the success of the 6th Street model and have chosen to partner with them to do this work in the other NMI corridors and said that she looked forward to the Commission helping to get the word out even more. She announced that interested businesses or property owners in any of the NMI corridors should go to www.urbansolutionssf.org. **Commissioner Murad** asked how many vacancies were identified on 6th Street. **Tracy Everwine** said that they identified 40 vacancies, of which 21 have been leased. There are 19 remaining, 10 of which are ready to rent, but the other 10 she said are in such bad shape they will need to undergo extensive renovations and will likely not be lease able until Fall. **Commissioner Chiu** asked how a neighborhood that does not currently have a corridor program might participate stating that he chairs the Lower Polk Neighbors and they would certainly be interested in this type of corridor program. **Amy Cohen** responded stating that there sort of is a corridor program in the Lower Polk, adding that both Polk and Divisadero have been late comers to the NMI. She reported that last spring there was a comprehensive planning process in both those neighborhoods and said that for a variety of reasons they decided to start the staffing of both those neighborhoods in the Mayor's office directly. She said that there is a part time person who is starting to act as a corridor manger, adding that she is getting ready to release the plans that were completed last spring, and said that she would begin to have community meetings thereafter. She explained that on Polk Street they got going with streetscape improvements. She said that the goal is to institutionalize that corridor manager somewhere other than in the city family, stating that there is no permanent position in the city for that person and it was never the intention to do that. She said that a goal might be to institutionalize a corridor manager as part of CBD for the area, adding that folks in the lower and mid Polk are revisiting the idea of a CBD, but short of that she said that they though to give her a year to see what type of energy she could

create in the neighborhood. **Commissioner Thigpen** asked about a property in the 6th Street corridor and said that she would be interested in being kept informed of any planned development there, particularly given the recent story with the Armory. **Tracy Everwine** said that the owner is finally actively trying to unload the building and said that she would do her best to keep the Commission informed, but added that the Redevelopment Agency would be certain to keep the public informed as well. **Commissioner Richardson** asked why there is no activity in Fillmore and Japan Town. Amy Cohen responded stating that Fillmore is in the Redevelopment Agency and has components of a commercial corridor already staffed and funded through the agency and has also passed their CBD, adding that because of the existing resources, there is not really a need in that area. She said that the CBD in the Fillmore is or will be set up to do a lot of the work that is being done in the NMI neighborhoods that don't already have a CBD, however she did state that Urban Solutions does some business retention work in the area and does have an office there. **Commissioner Ventura** asked if they have identified any spaces that could be shared spaces for small businesses. He asked what the specific neighborhoods are. **Tracy Everwine** responded stating that the neighborhoods in the NMI are Polk, Divisadero, Leland, San Bruno Avenue, Ocean Avenue and 6th Street. **Stephen Cornell**, a member of the public said that he knows the work of Urban Solutions and LISC and said that they do great things, but offered that since the Mayor's Office is involved, they might consider doing something for neighborhoods or businesses that are not necessarily blighted, but that pay their share in payroll taxes for instance. He said that there are 104,000 small businesses, and less than 8,000 pay payroll tax, stating that something should be done to help these businesses that pay. **Amy Cohen** said that while she can't speak for Lisa Pagan, her colleague who works with several neighborhoods on the idea and feasibility of implementing a CBD in their neighborhoods, she wanted to point out that there is a sort of two tiered approach when dealing with and providing assistance and services to the business community, adding that they touch a lot of other neighborhoods outside the NMI through other programs.

Item 7- DISCUSSION PAYROLL EXCLUSION FOR CLEAN TECH BUSINESSES

Dina Mackin, Clean Tech Manager for the Mayor's Office of Economic and Workforce Development introduced a proposal that her office would be putting forward to the Board of Supervisors to expand the Clean Energy Technology tax exclusion to include companies with 10 or less employees and 100 or more employees. She said that they are also seeking to expand the definition of clean technology to include companies that are not only producing renewable energy, but are also enabling technologies and green building technology. She brought with her three companies to talk about their companies and how the expansion would support them. She said that within the existing legislation they expected 13-15 businesses to be eligible for the exclusion and said that it turned out that only one of them qualified, adding that most of the businesses are under 10 employees and do not qualify. Meanwhile she said that many of these companies are positioned for high growth and would provide quality jobs to people in San Francisco, and said that they have a strong interest in retaining these businesses here and attracting others like them. She said that one of these companies would be looking to hire over 100 employees and said that to penalize the companies that have the best opportunities for job growth does not make sense from a workforce development perspective. She said that the argument that was given when the legislation was passed was that multinational corporations would come to San Francisco specifically to take advantage of the payroll tax exclusion, creating subsidiaries. She said that many cities provide many subsidies and said that possibility of them coming here for a 1.5% payroll tax exemption does not seem likely. She said her research shows that the cost to the city in terms of revenue if this is to pass is very minimal. **Todd Pillman**, of Blue Green Pacific, a fledgling corporation said that his company provides a service to install small urban wind technology. He said that currently they are fledgling with five employee partners and said that within the next year they plan to expand to 5 or 10 employees and said that they would be in support of expanding the exclusion because it would support them, adding that they are interested in staying in San Francisco and this would be an incentive to do that. **Zack Gentry**, CEO of Adura Technologies, which makes wireless lighting management solutions for commercial buildings, said they are a business that started out of UC Berkeley in the basement of the Berkeley hotel. Over the past couple years they have received numerous awards, one of which was an office space in San Francisco on 1st Street between Market and

Mission which they are very excited about and happy to be in. He said they have five employees, three of whom are software developers, but said that as they expand the number and kind of jobs they will provide will be very divers, providing both blue and while collar jobs. As the ordinance currently stands they are not eligible for the tax exemption but said that it is his hope that this can be changed and said that they would like to stay in San Francisco where they could be close to their clients. **Kevin Sorace**, CEO of Serious Materials said that his company makes drywall. Drywall is the third most energy using material after cement and steel, and said that his company developed a way to make drywall using zero energy by combining certain ingredients that cook themselves as opposed to having to cook them. He said that his company would be looking to have 50 to 100 employees initially and then grow to several hundred employees. He would support expanding the tax exclusion to change the definition and the number of employees. **Commissioner Thigpen** asked Ms. Mackin why there is a problem with expanding the definition to less than 10 employees. **Dina Mackin** responded stating that initially the purpose of this was to maximize workforce development opportunities and it was believed that companies with less then 10 where simply entrepreneurs and thus did not need it. She agreed that it was not a useful limit. **Commissioner Thigpen** said that businesses are interested in growth and said that they would not be interested in keeping one employee so as to just avail themselves of the payroll tax and not have any interest in growing. She said it was important to communicate the importance of this. **Commissioner Chiu** said that he would support an amendment to allow less than 10 employees as well as changing the definition of clean technology, but said he would be more comfortable capping the exclusion at 100 employees. As a business owner that pays the payroll tax he said he would love an exemption, but said that lines do need to be drawn and said that he would be concerned with attracting companies that are large if there is no cap. He suggested perhaps exempting the first 100 employees as to not allow large companies to get a complete payroll exemption. **Dina Mackin** responded stating that because part of the purpose of this is to increase workforce development opportunities in particular within clean technology businesses, she did not see a purpose to limit it or cap it. **Commissioner Chiu** agreed but said that he would be concerned with creating unfair advantages for certain industries and said that ideally he would like to see similar exemptions for restaurants or clubs or book stores or any of the other businesses who are also fighting to stay in the city. **Commissioner Murad** asked if they've considered perhaps a 50 % tax break for those businesses with 100 or more employees, or any other formula that might make more sense. Dina Mackin said that they had not but was open to it. **Stephen Cornell**, a member of the public, suggested that the Commission approve the proposal, but agreed with Commissioner Chiu about the unfair advantage. He also had some reservations over the 10 year exemption, saying that he's never seen one that long. **Barbara Meskunas** of Supervisor Ed Jew's office said that Supervisor Jew is having her draft legislation to be introduced in the next week or so to cover the companies with fewer than 10 employees. She said there should be coordination around this and welcomed the Commission's support for that aspect of it, saying it would be very helpful. Commissioner Thigpen made a motion to support the proposal. **Commissioner Murad** seconded. Commissioner O'Connor said that he would prefer not to see a cap on the number of employees. Commissioner Thigpen amended her motion to get rid of the cap. **Commissioner Chiu** made a motion to support the exemption for companies with employees under 100 and to support the expansion of the definition of clean energy technology. He stated that unless a broader discussion could be had about other industries to exempt he would be concerned with opening up the exclusion for companies with 100 and more employees.
Commissioner Thigpen made a motion to support the proposal to expand the clean energy technology tax exclusion to include companies with 10 or less employees with no cap on the number of employees, and to expand the definition of clean technology to include companies that are not only producing renewable energy, but are also enabling technologies. Commissioner Murad seconded. The motion passed 4 to 3.

Item 8- PUBLIC WORKS-GARBAGE RECEPTACLES
Dan McKenna of the Department of Public Works said that he was joined by Robert Kwan who is in charge of their inspection services. He said that the ordinance which was put forth last summer and required the department to enact some waivers for customers to allow both commercial and residential business to apply to the department for an exemption on not having garbage receptacles visible from

the public right of way. He said that since the early 1900s it has been illegal to receptacles on the public right of way, stating that this ordinance took it further and said that it can not be visible form the public right of way, that it must be stored on private property and hidden or masked in some manner whether it is landscaping or construction that encloses it. He said the waiver process troubled department staff stating that they worked with Planning, Department of Building Inspection and the Department of Public Health to get ideas from those agencies on the types of criteria they would incorporate into a waiver process. He said he also contacted other cities in California to find similar models and found out that no other city had a waiver process. He said this prompted them to go back tot the sponsor of the legislation and request that they address this on a case by case basis. He said that they have not issued any citations, and said that they do not have a proactive program to systematically inspect the city. He said that they will go out on a complaint basis and address the issue, working with the business or property owner and Norcal Waste to find a solution. He gave an example of a recent complaint in the Marina of a business and said they were able to go out and speak to the business owner and come up with a solution tailored to that situation. He said this was really what started the discussion of amending the ordinance that was put in place last summer. **Commissioner Thigpen** asked if individuals would be able or allowed to construct a shed for example. **Dan McKenna** said that this would be the last option they would give people and it would require folks to apply for a minor sidewalk encroachment permit which has an annual assessment, one of the reasons it's the last option, not to mention that they don't want to see a row of boxes up and down streets, stating that this is not the intent with this, adding that it does remain an option however. He said the assessment is $3 a square foot per year. **Commissioner Thigpen** said that she appreciated the department's personal touch on this matter. **Commissioner Alberts** asked what the timeline is for getting out notices and for enforcing the ordinance. **Dan McKenna** said that that they are working with Norcal Waste to get out a news letter to the merchants and residents and said they would also have information on their website. Furthermore he said that they are disseminating information through their corridors program and said that it would likely not be enforced until the summer. **Commissioner Richardson** asked what would happen to a business or resident if they put their receptacle out and someone happened to go through it. **Dan McKenna** said that Norcal Waste would supply locks because it is illegal to go through receptacles.

Commissioner Alberts made a motion to support the proposed legislation. Commissioner Thigpen seconded. Unanimous approval from the Commission.

Item 9 – SIDEWALK REPAIR AND IMPROVEMENT PROGRAM

Dan McKenna of the Department of Public Works stated that this was an exciting program for the department, stating that it was pointed out the Mayor's State of the City address and said that they consider it to be a key component of maintaining the infrastructure of the city. He said that in California the sidewalk is the responsibility of the fronting property. He said the focus of the program is a bit different and is the result of a survey that they conducted in 2005, stating that they did a random sample of 4% of the city's sidewalks and found that 13% had serious damage and the projected cost to repair them would be $176 million dollars. They also concluded that 90% of the sidewalks are the responsibility of privately owned properties and 30% of the trees are maintained by the City. He said that the current program is reactive and said that Mayor Newsom requested that they be proactive when dealing with the sidewalk issue. He said all this resulted in a new program, which will take 25 years to complete and will include the inspection and repair of all the sidewalks. He said all this would be at a cost to the property owners but said that they have identified billing options which include allowing property owners to pay the department directly to do the work, to pay through their property tax bill which would have a 12% charge because it would allow the property owner to use the city money for a year and would go to cover the administrative cost of that money for that year. Alternatively there would also be a sidewalk repair deferred payment program for qualified property owners based on certain economic criteria. He said that they will start with the 100 blocks that have been identified through the Mayor's Corridor Program Initiative. He said entire block faces will be repaired vs. spot repairs, and damaged curb returns will be replaced with code complaint ramps. Furthermore he said the program would document code issues and compliance and would focus on pedestrian usage to maximize program's impact. He said the program would start in the next month

with sidewalk construction starting in April. **Commissioner Richardson** asked about the 1700 block of Fillmore Street stating that there is a serious problem there with the trees, adding that they are overgrown and uprooted the sidewalk. Dan McKenna said he would make a note of that and believed that those trees were the responsibility of the city. **Commissioner Alberts** asked what would happen in a case where a property owner is both property poor and cash poor. **Dan McKenna** said that the average property cost will be $250-400, stating that they think this is reasonable, but said that there was discussion of a possible grant program and said that if they feel it is necessary they could go back to the Board of Supervisors on this issue. Commissioner Ventura asked what the criteria were for the deferred compensation option. **Dan McKenna** responded stating that it would be for owner occupied properties of 1-3 units, stating that it is for residential properties not commercial. **Commissioner Murad** said that he was not comfortable with the 12% fee imposed on folks who choose the option to pay on their property tax bill, stating that there are some folks who can not afford that and suggested looking at alternatives. **Commissioner Thigpen** expressed her concern with the fact that the deferred compensation program was inapplicable to commercial property owners and suggested incorporating different payment options for commercial property owners. She said that many commercial buildings have a pass through provision in which the small business tenant occupying the building is ultimately responsible for maintenance which would include the sidewalk and this was a concern for her. She suggested perhaps polling merchant associations to find out to what degree this is true with their membership. **Dan McKenna** said that this was a good suggestion and said that because this is a pilot program, there are things that will be learned that could be addressed going forward.
Commissioner Thigpen made a motion to support the program with an amendment that the deferred payment program be applicable to commercial properties as well. Commissioner Richardson seconded. The motion was unanimously approved by the Commission.

Item 10 – JOBS FOR YOUTH
Yuri Dew, Director of Jobs for Youth, a community project of the United Way of the Bay Area, which was created in partnership with the City. She said their goal is to get young people connected to private sector employment and help private sector employers find qualified youth in San Francisco to fill the jobs they have available. She said that JFY should also be an access point for some of the other similar programs in the City. She reported that in the last year they engaged over 70 employers and placed 200 youth, adding that they are quite proud of this since they only had two staff people, but said that they have since grown to four. She said that they slightly changed their program model to have a pool of job seekers in order to quickly be able to place them. This year she said they are trying to increase their matching from 200 that they did last year to 325 which they believe is manageable. She said that they are reaching out to businesses and have partnered with several agencies to get the word out to attract both youth and employers. She said that they beefed up their screening process of the youth in order to provide the best qualified youth to the businesses that often don't have human resources on staff to do this. She reported on the JFY Business Breakfast and thanked those who attended, stating that it was an exciting day for the program, particularly Mayor Newsom's ask to the business community, challenging them to pledge jobs. She said that they had a good response from that challenge and they are following up with those. She said the program will not be successful if they don't get the word out and garner interest. She asked for the Commission's help spreading the word about the program and also in a leadership capacity. She said interested folks should call the hotline at (415) 861-JOBS and a website at www.jobsforyouth.net. **Commissioner Thigpen** asked who the businesses were that had stepped forward from the Mayor's challenge. **Yuri Dew** said that Macy's has been a big supporter of the program, hiring 10-20 youth, but said that 70% of hires have come from small business in the past, including State Farm, Farmer's Insurance, Pet Camp, Platinum Advisors among others. **Commissioner Chiu** asked what percentage of these businesses are recent immigrant businesses, particularly form the Asian or Latino community. **Yuri Dew** said that in the first year they reached out to the larger companies and so this is still under development and was not able to provide an answer. **Commissioner O'Connor** thanked Yuri for their efforts and said he was hopeful that this would beef up the program particularly for the summer months when youth need jobs the most. He encouraged the business community that might be watching on SFGTV to call the hotline.

Item 11 – BUDGET DISCUSSION

Acting Director Mike Farrah said the current budget for the year is very similar to the previous year and said the only difference is in the reproduction cost, which is due to changes in accounting. He said salary and fringe increases are normal, as are services and contracts, $20,000 of which is allocated for Shop Local First and $10,000 to SFGTV to televise the meetings. He said Mayor Newsom has asked for a 3% cut for the current year budget, which would not be felt by the Commission. He addressed the request for more staff for the Commission and suggested that the way to do that would be to put it in writing with specific reasons for the money. He said there is a process and once the budget is balanced, the Mayor will review departmental requests and decide accordingly. **Commissioner Chiu** shared his perspective stating that the Commission should bring on staff whose job it is to recruit and attract businesses to the city, bringing in revenue that would potentially pay the salary of these employees. He wondered if this argument could be made and said he would like to focus his efforts on that. **Acting Director Farrah** said that there is a lot of work being done for recruitment, marketing and retention of businesses on behalf of the city, adding that it's spread out amongst various departments. He offered to discuss this further at the retreat and provide Commissioners with an organizational chart of the department so that they can see what is being done departmentally. **Commissioner Chiu** said that he was aware of this to a certain degree, but said that there were many neighborhoods that could certainly use a dedicated full time person to do outreach and business attraction and retention in those neighborhoods. **Commissioner Alberts** asked about the contracts and services portion of the budget, specifically for clarification on the $20,000. **Acting Director Farrah** reiterated that the $20,000 was for the Commission's annual Shop Local First campaign. **Commissioner Alberts** asked if the Commission would be asked to vote on whether or not to continue the program and said that any time the Commission spends money on programs such as this, it should be done with a vote. She questioned the event's success and expressed her concern over spending a big chunk of the Commission's budget on one event. She said that the event ought to be evaluated based on what it does for small business in general, not only those that participate, adding that she has attended the Union Square event the past few years and said it does not seem to have the enthusiasm that it once did and seems to have dwindled. She questions whether it provides enough publicity to warrant having it again. She requested to include the figures from the survey from BALLE's report reflected in the minutes. **Acting Director Farrah** said that BALLE has been challenged with not having enough time to execute the event and said that should the Commission decide to go forward this would be something to consider.

Commissioner Ventura made a motion to approve the budget as submitted. Commissioner Thigpen seconded. The budget passed 6 to 1.

Item 12– SMALL BUSINESS COMMISSION COMMUNITY MEETINGS

Commissioner Ventura announced that the Polk Street meeting is coming along slowly stating that he would be seeking the help of his fellow Commissioner Chiu for outreach. **Acting Director Farrah** suggested for he and two commissioners to do a merchant walk which they would use in order to drive people to the meeting. **Commissioner Alberts** asked what the response has been thus far. **Commissioner Ventura** said that there has only been one in the Bayview and said that roughly 10 people attended.

Item 13- MEANINGFUL PAYROLL TAX REFORM

Commissioner Thigpen reported that she met with David Noyola of Supervisor Peskin's office and said that he offered to gather info on the issue in order to help move forward. She thanked Supervisor Peskin for his support.

Item 14 - NEW BUSINESS

None

Item 15- GENERAL PUBLIC COMMENT

None

Item 16- ADJOURNMENT

Commissioner Thigpen made a motion to adjourn. Commissioner Ventura seconded. The meeting was adjourned at 8:05 P.M.

SMALL BUSINESS COMMISSION
SPECIAL MEETING & RETREAT
NOTICE & AGENDA

SF
S82
#1
3/16/07

FRIDAY, MARCH 16, 2007
9:00 A.M.-12:00 NOON
CITY HALL, ROOM 201
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

3. **INTRODUCTION BY INTERIM DIRECTOR MIKE FARRAH:** Allows the Interim Director to discuss retreat format (Discussion Item)

4. **INTRODUCTION OF COMMISSIONERS:** Allows Commissioners to briefly introduce themselves (Discussion Item)

5. **SMALL BUSINESS COMMISSION OBJECTIVES, GOALS AND PRIORITIES:** Allows the Commissioners to discuss their objectives, goals and priorities (Discussion/Possible Action Item) Explanatory Documents: List of priorities as submitted by Commissioners

6. **REVIEW OF BUDGET:** Allows the Commission to review and discuss the Commission budget and make recommendations (Discussion/Possible Action Item)

7. **ROLE OF SMALL BUSINESS COMMISSIONERS:** Allows the Commission to review and discuss their role as Commissioners (Discussion/Possible Action Item)

8. **ROLE OF MAYOR'S OFFICE OF ECONOMIC AND WORK FORCE DEVELOPMENT:** Allows Mayor's staff to discuss the role of the Mayor's Office of Economic and Work Force Development (Discussion/Possible Action Item)

9. **NEW BUSINESS:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

10. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

11. **ADJOURNMENT:** (Action Item)

Public Comment will be taken before or during the Commission's consideration of each agenda item. Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

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MIKE FARRAH, ACTING DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

07-13-07-03-50

SMALLBUSINESS COMMISSIONERS
MICHAEL O'CONNOR, PRESIDENT
JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

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Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

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Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

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Small Business Commission

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March 16, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 201
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Friday, March 16, 2007 9:00 AM

Small Business Commissioners

Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones
Acting Director – Mike Farrah
Commission Secretary – Martha Yañez
Members Absent: Commissioner Alberts (excused)

Call to order:

Item 1 - ROLL CALL

The Small Business Commission met on Friday, March 16, 2007 in special session. The meeting was called to order at 9:13AM.

Item 2 – GENERAL PUBLIC COMMENT

None

Item 3 & 4- INTRODUCTION BY INTERIM DIRECTOR MIKE FARRAH & COMMISSIONERS

Acting Director Mike Farrah, Director Agnes Briones, Commissioner Secretary Martha Yanez, and the Commissioners briefly introduced themselves sharing their background, something new the others would not know about them, and their proudest moment on the Commission.

Item 5 – SMALL BUSINESS COMMISSION OBJECTIVES, GOALS AND PRIORITIES

Acting Director Mike Farrah reviewed the City's Admin Code pertaining to the Commission as well as the Commission's Rules of Order, which he said are very similar. He pointed out that some of the goals expressed by some Commissioners are not addressed in either the Admin Code or the Commission's Rules of Order and suggested focusing on these goals today and asked the Commissioners to chime in on each of the following topics: Better Outreach to Ethnic /Immigrant small business community, How the SBC could better interact with merchant corridor community, how SBC can be more proactive and communicate better, and How the SBC can develop new policy. Below is a list of the topics reviewed with comments from the Commissioners. Combined the list represents goals and objectives that the Commission would like to focus on going forward.

Better Outreach to Ethnic /Immigrant Small Business Community

• Proactive outreach such as meetings in the community. For example, businesses in lower Polk area don't know the Commission exists
• Ethnic organizations operate on smaller levels. Some challenges are that contact info changes with members.
• Immigrant small business community are often times not connected electronically (email/websites), making it harder to communicate with them, particularly with timely issues.
• Small businesses can not leave their businesses to come to meetings. There is also a distrust of government.
• Consider looking at outreach practices of other departments and when able partner with them. For example with DPW Corridors Program, good opportunity to touch businesses and let them know of services of SBC.
• Consider doing a survey that can be distributed to businesses via help of other departments (TTX)
• Increase SBC staff to include outreach person that will also keep profile of businesses in the City
• Outreach to various business groups not only merchants. For example, small developers who often employ between 10-30 employees have been ignored historically. Example of garage door business.
How Does the SBC better interact with Merchant Corridor Communities
• Divide up city among the commissioners so as to assign areas for commissioners to focus on (follow up meeting)
• Invite merchant corridor representatives to the Commission meetings and ask to hear form them
• Obtain or create a master calendar of merchant association meetings
• Utilize MONS more

How SBC can be more proactive/communicate
• Staff prepares resolutions
• Be at the forefront of issues by establishing better relationship with BOS staff and following issues more closely
• SBC needs to figure out what type of legislation/policy it ought to be considering
• Fast track small business permits through Planning process and other agencies
• Graffiti is major issue for small business, good for the SBC to get in front of the issue and be proactive. Invite merchants to speak to issues around graffiti and invite SFPD. This is a good way to real a lot of people on an issue most everyone can relate to from property owner to business person to citizen.
• Use the Press. SBC ought to have communication strategy and involve press, work with them to give a good story
• "I am small business" campaign. SBC to look at and talk about the value of a small business to the community and push for a marketing campaign that will educate the public.

Legislation/Policy/Program –How to develop new policy
• Permits- Streamlining/Fast Tracking
? Planning
? DBI
• Youth Program – work with school district to implement programs for youth such as youth entrepreneurship program (YEP)
• Procurement. Increase opportunities for small businesses
• HAP
• Gross Receipts vs. Payroll Tax
• Taxes/Fees in general
• Tax Credits
? Clean air/CNG fleet
? Graffiti tax credit
? Incent good behavior
• Small Business Week
• Eat Local
• Shop Local
• Transportation

• Small Business Awards

Public Comment (Lisa Kirvin of Renaissance Entrepreneurship Center)
• Shop Local campaign is a good idea. "I am small business" is a great idea. Many small businesses are not retail businesses and to give them an identity is great.
• Monthly metrics sharing. Look at # of business licenses issued. This shows energy.
• YEP is a great idea (nifty)
• Incentivizing use of energy efficient cars is good idea, also suggested same for public transit (muni pass)
• Consider what it means to be a green business
• Suggested "Small Business Watch" idea similar to Chronicle watch
• Suggested SBC visit and foster relationship with MOCD grantees

Priorities
Mike O'Connor said he would prioritize items discussed today and present a plan of action and recommend next steps at the next meeting (work plan)

Item 6 –REVIEW OF BUDGET
Director Briones Ubalde said that ideally she would like to have additional two staff members to work on policy and outreach, stating that a staff of two is limited to what they can do. She said that she had done some research on how other cities organize their small business office and said that San Francisco's Office of Small Business is one of if not the least funded in the nation. She said the focus of the Dept. of Business and Economic Development which the Office of Small Business sit under would need to be shifted and redirected more toward small business. She said she looked forward to the results of the Economic Strategy, which she believed would show a need to focus more on small business, adding that many other jurisdictions were following trends and making adjustments in how they provide services to small businesses. Commissioner Richardson suggested utilizing college students to assist with commission work. Commissioner Thigpen suggested that staff write down what they do day to day so that when it comes time to ask for additional staff, the Commission could make a case for it.
Commissioner Thigpen made a motion to write a letter to the Board of Supervisors and the Mayor to support the addition of two staff to the Small Business Commission, and that all efforts be made to look at attracting folks from other departments that would be interested in working for the Commission. He suggested that the letter should highlight the results from the economic strategy in order to make the claim that more resources need to go into helping attract and retain small business, thus the need for additional staff. Commission Murad seconded. The motion was unanimously passed by the Commission.

Item 7- ROLE OF SMALL BUSINESS COMMISSIONERS – FOCUS ISSUES
Commissioner Murad
• Track law, code and fee changes in city departments that impact or in some way regulate small businesses
Commissioner Thigpen
• Gross receipts tax issue
• Small Business Week
• Eat Local campaign
Commissioner Chiu
• Gross receipts vs. Payroll tax issue
• Outreach
• Survey
• E-Newsletter
• SBC Meetings (work on the way meetings are facilitated and request to get explanatory documents well in advance of meeting)
Commissioner O'Connor
• Outreach (merchant outreach in general)
• Planning Department and small business guidelines

• One Stop Center (Streamlining Issue)
• Create small business organization outside of the Commission
Commissioner Ventura
• Small Business Week
• Outreach
Commissioner Richardson
• Advocacy

Item 8- ROLE OF ECONOMIC & WORKFORCE DEVELOPMENT
See MOEWD organizational chart

Item 9 – NEW BUSINESS - (None)

Item 10 – PUBLIC COMMENT - (None)

Item 11- ADJOURNMENT
Commissioner Ventura made a motion to adjourn. Commissioner Richardson seconded. The meeting was adjourned at 12:04 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND AGENDA

MONDAY, APRIL 9, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF MARCH 12, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft March 12, 2007 meeting minutes
3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
4. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)
5. **SMALL BUSINESS AWARD PRESENTATION:** Presentation of award to Mike Musluh, owner of The Pork Store. Presentation by Commissioner Gus Murad (Discussion Item).
6. **SMALL BUSINESS AND CITY PROCUREMENT PRACTICES:** Presentation, discussion and possible action on Small Business and City Procurement Practices. Presentation by Naomi Kelley, City Purchaser, and Virginia Harmon, Human Rights Commission Director (Discussion/Possible Action Item)
7. **PRESENTATION ON THE COMMUNITY CORRIDORS PARTNERSHIP PROGRAM:** Presentation, discussion and possible action on the Community Corridors Partnership Program. Presentation by Mohammed Nuru and Ahsha Safai of the Department of Public Works (Discussion/Possible Action Item)
8. **PRESENTATION ON 2008-2009 PUC WATER/WASTEWATER RATE PROPOSAL:** Presentation, discussion and possible action on the PUC's new rate proposal. Presentation by PUC Representatives (Discussion/Possible Action Item).
9. **PRESENTATION ON MAGIC (Mobilization for Adolescent Growth in Our Communities):** Presentation, discussion and possible action on MAGIC. Presentation by MAGIC youth members and Sheryl Davis (Discussion/Possible Action Item). Explanatory Documents: Mission Statement, Economic & Vocational Development Committee statement, and Youth Proposal Business Plan
10. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)
11. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
12. **ADJOURNMENT: (Action Item)**

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall, Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

MIKE FARRAH, ACTING DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

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JORDANNA THIGPEN, VICE PRESIDENT
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DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

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Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

Small Business Commission

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April 09, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, April 9, 2007 5:30 PM

Small Business Commissioners:

Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones
Commission Secretary – Martha Yañez
Members Absent: Commissioner Richardson

Call to order:
Item 1 - ROLL CALL
The Small Business Commission met on Monday, April 9, 2007 in regular session. The meeting was called to order at 5:36PM.

Item 2 – APPROVAL OF THE MARCH 12, 2007 MEETING MINUTES
Commissioner Ventura pointed out a spelling error on page 7, line 12.
Commissioner Thigpen made a motion to approve the minutes with the amendment.
Commissioner Chiu seconded the motion. The motion was unanimously approved by the Commission.

Item 3- GENERAL PUBLIC COMMENT
Supervisor Ed Jew thanked the Commission for their interest in the city's procurement practices and for looking into the matter, stating that this was of great interest to him. Additionally he said he would like to look at simplifying the process of doing business in the city, and said it would be something his office would be working on, adding that one idea is to have all necessary forms available on-line. He said he looked forward to working more closely with the Commission. **Commissioner O'Connor** informed Supervisor Jew that the SBC and then Supervisor Ma had co created a group of departmental representatives to look at streamlining the permit process. He reported that the group had help from a Berkeley graduate student who had put together a final report on the issue as part of her thesis. He commended Supervisor Jew for his efforts and said he looked forward to working with him. Supervisor Jew said that he also had spoke to the Treasure about this and was aware of the report and looked forward to discussing the issue further.

Item 4 – COMMISSIONER AND STAFF REPORTS REPORT
Commissioner Thigpen invited everyone listening to the Kick-off event for Small Business Week on Monday, May 7, 2007 at 5:30PM in City Hall. She also reported that she had been attending the MUNI meetings and announced that the official opening o the T-Third Line would be April 17th, which she said was a huge accomplishment, however she complained about Lines 47 and 49, stating that they are out

of control and need to be dealt with. Furthermore she reported that she had been attending the Health Access Program (HAP) meetings and announced that San Francisco had recently received 70 million dollars to effectuate the HAP over a three year cycle. **Commissioner Alberts** reported that a former student at San Francisco State who had participated in Small Business activities in 2005 had recently formed a Student Association of Entrepreneurs at SF State. She said that they were very impressed with past SBW activities and have asked to be involved this year.

Item 5 –SMALL BUSINESS AWARD PRESENTATION

Commissioner O'Connor reported that the Commission had decided to implement a small business award program, whereby each month Commissioners would nominate a small business for the award. He said this was the Commissions way of recognizing the contributions of the small business community to the City. **Commissioner Murad** presented the Commission's first award of 2007 to Mr. Mike Musluh, owner and operator of The Pork Store in San Francisco. He said he has known Mike for many years and remembers him as youngster who used to run around helping his father, then owner of The Pork Store. He said Mike was able to buy his father's business and now his father helps him in the store. Since then they have opened another business on Valencia Street. **Mr. Mike Musluh** accepted the award and said he was honored.

Item 6 – SMALL BUSINESS AND CITY PROCUREMENT PRACTICES

Naomi Kelly, City Purchaser thanked the Commission for the opportunity to present and requested that Virginia Harmon, Director of the Human Rights Commission first speak about the City's 14B program, which is the City's Local Business Enterprise Program, and sets the standards. **Virginia Harmon** of the HRC said that the Commission actively participated in the development of the new Local Business Enterprise Program (LBE) or 14B, which certified businesses as small and micro LBE's with the participation of Director Ubalde and Commissioner Ventura. She explained that in 2004 the courts ruled that the prior Minority Business Enterprise Program (MBE) violated Proposition 209 and said that in September of 2006 the new Local Business Enterprise program (LBE) was implemented. She said that the LBE requires that the principal place of business must be in San Francisco, and the business must pay payroll on at least 51% of staff, as well as demonstrate that a majority of its principals are located in San Francisco. Furthermore, to demonstrate that a business is small or micro, it must show average gross receipts for a three year period below the following economic thresholds respectively: Public works/Contruction-$14 and 7 million; Specialty Construction Contractors-$7 and 3.5 million; Good/Materials/Equipment and /General Services-$7 and 3.5 million; Professional Services and Architect/Engineering-$2.5 and 1.25 million; and Trucking-$3.5 and 1.75 million. The program provides a 10% discount for certified small and micro LBEs when bidding as prime contractors, and there are also subcontracting goals based upon the extent of opportunities in the contract and availability of LBE contractors. She said they are most excited about the micro program because it will bring in businesses that would not otherwise be able to compete. **Commissioner Chiu** asked if they had noticed a numerical impact since the new LBE program was implemented and asked what advice could be given to improve the program. **Virginia Harmon** said that it was too soon to note any numerical impacts yet. **Commissioner Ventura** commented that there were two things that they learned through their work on this, the first being that small businesses lack access to opportunities and secondly, small businesses are often not contract ready. He expressed interest in continuing to work with the HRC on these two specific issues. **Commissioner Thigpen** was surprised to learn that in order to be certified the business must be able to show they pay payroll tax, stating that this eliminates a lot of micro businesses that do not pay the payroll tax. **Virginia Harmon** responded stating that this applies only to companies that have several offices outside of San Francisco. She said that there are Certification Officers that can assist businesses with the certification process and said that they also offer workshops on certification. She said interested businesses could call 252-2500. **Naomi Kelly** reported that the Office of Contract Administration (OCA) is in charge of about 60% of all city commodities, or roughly 200 million dollars worth of commodities. She said that departments have a one time purchases of $10,000 or less that they can administer themselves. She said the OCA conducts competitive bidding practices, stating that there is a 10% bid preference for small businesses, and said that they look forward to the set aside to increase opportunities for small businesses. She reported that the OCA also conducts workshops and participates in trade fairs in an attempt to get the

word out and reach out to small businesses. She recommended that the Small Business Commission continue to work with the Human Rights Commission to increase opportunities for small businesses. **Commissioner Chiu** asked if there are specific recommendations on how the current ordinance may be tweaked to increase the amount of business the city does with small businesses, such as increase the bid preference percentage for example. **Naomi Kelley** responded stating that before any recommendations could be made, they ought to assure themselves that the numbers are accurate. She suggested for the Commission to obtain that data first from either the Controller's office or the HRC and then think about and come up with recommendations. She said she would be able to provide the data on the OCA side and said she was happy to work with the Commission, but said she did not have any recommendations without further review. **Commissioner Thigpen** asked if anything could be done to encourage or require departments to use their discretionary monies with small businesses. Naomi Kelly said that her department attempts to educate department representatives about the discretionary spending by telling them that it is a one time use only. **I. Lee Murphy-Reed,** a member of the public and representative of the S.F Black Chamber of Commerce. She commended both Ms. Kelley and Ms. Harmon for their efforts to increase opportunities for small businesses, but said that she has been denied opportunities to participate as an interior designer. She said that Architects have used her portfolio to get a contract with the city but then they never use her services, stating that she has never received a contract from the city. **Cliff Walldeck**, a member of the public and small business owner said that San Francisco is the largest employer in the city and as such the city ought to start looking at green businesses for its commodities. He said green business contracting could be the domestic partners of the year. He agreed that bid discounts don't work for small businesses because the businesses will say whatever to get the contract but will not follow through on their word. He encouraged the City to work collaboratively to increase business opportunities for small businesses. **John Schweizer** of Remediation Services Inc. in the Bayview said that they look to hire from their neighborhood and said he would like to see the program extended to include the San Francisco Unified School District. He said that it is difficult for them to compete, adding that even on prevailing wage jobs they can not compete, stating that there is a differential and he asked the Commission to consider this. **Stephen Cornell** said that 10% set aside is not a lot when you consider sick leave amounts, adding that his per hour fees of local mandates average $11.44 per hour, adding that if there is a 10% reduction of that amount it is not very competitive. He said the city's biggest cost is to its employees, adding that it should have the same attitude toward its local small businesses. **Scott Hauge** of the Small Business Advocates said it's time to do something to increase opportunities for small businesses. He said there ought to be a goal and it should be monitored, stating that this is not currently happening. He said the state has set a goal; the city needs to take the lead through the Small Business Commission and the HRC and OCA, adding that the Commission ought to hold hearings on the issue and ask departments to report to them. **Michelle Menendez**, a member of the public and local business owners said that she was awarded a contract for auto products but said that it had nothing to do with competitive prices, but rather that the prior people had the bid, which was not put out to bid for 10 years. However she said while she is fully capable of fulfilling the larger bid of over a million dollars, she is only getting $100,000 of it and she is a local business will cheaper rates. She said Bid # 71615 is not bid, but rather a joke.

Commissioner Chiu made a motion to request the appropriate data of what percent of business goes to small businesses, and to work closely with various agencies involved. Commissioner Alberts seconded. Commissioner Thigpen requested to amend the motion to ask staff to look at the feasibility of 25% procurement or higher. Commissioner Alberts seconded the amendment. The Commission unanimously approved the motion as amended.

Item 7- PRESENTATION ON THE COMMUNITY CORRIDORS PARTNERSHIP PROGRAM

Mayor Newsom briefly commented on the previous item stating that he issued an Executive Order in the past year which called on departments to do more business with local businesses. He said the Small Business Commission is responsible to oversee that Executive Order and said that this was not being done. He said that since his Executive Order, 33% of the City's 194 million dollars spent on materials and supplies, was spent at local businesses. He said that if we are to look at the data, it needs to be broken down based on the definitions. With regard to the Community Corridors Partnership

Program, he said it came about as a result of the status of the city's streets, adding that he too was frustrated with the increasingly dirty streets. He said this has been a long standing issue, one of which they have attempted to tackle several times before via different programs, the latest of which included adding more staff to DPW to address the issue, as well as deputizing the staff, both of which have had negligible impacts. Regardless of past failed attempts he said they would not give up, adding that this is how they stumbled upon the Corridors Program. He said the idea behind the Corridors Program is to do an inventory or needs assessment of designated blocks and note what work needs to be done regardless of whose property it is, whether it be property of the PUC, PG&E, DPT, or DPW among others, stating that this jurisdictional issue had proven to be a road block in the past. He reported they initially picked 20 corridors and 100 blocks for a total of 8 million dollars. He said they found this is working, adding that event the Board of Supervisors are coming on board and requesting the addition of areas and blocks. He said it is working because they are giving up on the silo approach and instead, DPW is responsible for all the work by obtaining agreements from the various agencies that have property on the blocks that need to be fixed. Preliminarily he said there are 130 additional blocks in the pipeline and that he would be recommending the Board to approve. **Commissioner Murad** thanked Mayor Newsom for his attendance and for his efforts on the Corridor Program. He also thanked his staff for their hard work in seeing it through. **Commissioner Thigpen** thanked Mayor Newsom and asked if any agency had shown any resistance to the Program. **Commissioner Chiu** thanked Mayor Newsom and said that he had seen staff out on the streets and applauded their efforts. He said that small business owners certainly try to do their share, but said that there are vacant or abandoned properties and absentee landlords. **Mayor Newsom** agreed and said that they are working to identify the absentee landlords, and briefly referenced a program that the City of New York has implemented and is currently trying out, stating that there are creative things that can be attempted to deal with these issues. **Commissioner Ventura** also thanked Mayor Newsom for his leadership on this program as well as on the creation of several additional community benefit districts (CBD's). He said representatives from the Theatre District had reached out to him for help with some neighborhood issues and reported that the Commission working with his Office of Economic and Workforce Development are looking to help them and one idea is the creation of a CBD. Commissioner Alberts asked what else the City is doing in terms of matching grants to help small businesses to improve their façade or store fronts. **Mayor Newsom** responded stating that there is a façade improvement program through his Office of Community Development which provides those matching funds. He also said that DPW also provides a service to merchants whereby they go out to businesses and match the paint on the façade and provide the business with a free supply of the paint that can be used to cover over graffiti when needed. **Commissioner Alberts** asked how well the services are advertised. **Mohammed Nuru**, of the Department of Public Woks continued the discussion stating that they have received overwhelming support for the program and said that he is very interested in strengthening partnerships with the property owners. He said that they have created a list of the street furniture as they call it, stating that it has been helpful in the process. He said that while they have not been able to complete everything yet, he believes the evaluation of the program is equally important and said he welcomed it. He reported that the highest amount of call are related to graffiti and said that they are currently working with a few small business owners to help remove graffiti. **Commissioner Alberts** asked who is in charge of planting trees and asked how the ambassador program is being advertised. Mohammed Nuru said that the planting of trees is administered through the Department's Urban Forestry Division. Regarding advertising the programs, he said they have done outreach and attended a lot of meetings with the community, but said that they could do a lot more. Commissioner Thigpen asked if there is a way for DPW to get a list of artists to do artwork on some of the more hit areas. **Mohammed Nuru** said that graffiti is defined when there is no permission and said that inviting people to create art on spaces with the permission of the property owner is something that they could look into. **Commissioner Murad** thanked Mr. Nuru and his staff stating that he has noticed a difference in some places. He agreed that the quicker one can abate the graffiti the better. He asked how the department works with the Police department to monitor and enforce graffiti violations, adding that it is the worst thing that merchants face on a daily basis. **Mr. Nuru** said that the department has a good relationship with the Police, stating that they have arrested more violators now than in previous years. He said they encourage businesses and residents to file complaints with the Police Department so that

they can document the graffiti and attempt to identify the vandal, as well as link said vandal to any of his/her additional tags in order to make a stronger case. He reported that there is also an educational campaign that they are taking to the schools in order to educate the youth. **Commissioner O'Connor** said that the Commission overwhelmingly supports the program and he thanked the Mayor and his staff as well as Mr. Nuru for the update.

Item 8- PRESENTATION ON 2008-2009 PUC WATER/WASTEWATER RATE PROPOSAL
Tony Winnicker, Director of Communications and Public Outreach for the San Francisco PUC, joined by Scott McDonald, Assistance General Manager for Financial and Business Services thanked the Commission for allowing them to present to them, stating that it is one of about 50 like presentations to various community business groups and neighborhoods groups around the city aimed at educating folks about a proposal that will be before the PUC in a couple of months that will raise water and sewer rates. He said that the new rates would go into effect July 1 of this year and July 1 of next year, stating that it is a two year proposal. He said that for each of those two years the goal would be to raise overall revenue 15% for the water side and 9% for the sewer side. He said it is more difficult to pinpoint the percentage of individual rate increases because it is entirely based on consumption. He said they are also proposing a new connection charge or capacity charge which is a common charge in other cities for water services. He explained that they are a regional agency that delivers water to the Hetch Hetchy region, consisting of over 2.4 million customers in the Bay Area including retail customers in San Francisco, and about 20% of the cities electricity. He said that the rates go to support the operation and maintenance of the system, and said that the increases will help pay for 150 million dollars over 5 years of wastewater capital improvement projects, which began last year, adding that they must continue. He said that they are back at the Commission because they must continue work that they have been doing, including additional sewer work, 8 new flooding projects to break ground this year with 30 more in planning and design, begin the pick up of grease from restaurants and recycle it into bio fuel for use in Muni and the city's fleets, as well as continue improvements to Hetch Hetchy. **Scott McDonald**, said that staff created a rate proposal based on projected costs, both on the operating and maintenance, and capital side, and said that the process also includes the Rate Fairness Board, which was established by the voters in 2002 under Prop. E. He said the Rate Fairness Board is a committee made up of PUC rate payers and city financial officials who advice the PUC. He talked about how the rates are calculated, stating that generally it is related to usage so the less consumption the less the bill will be. He presented water and wastewater charge comparison tables and said that San Francisco is a bit above the mid level when it comes to water charges, but when considering both water and wastewater rates, by 2009 San Francisco rates will be above the mid level, but the average bill will be below mid level. This is due in part to the fact that San Francisco has a combined system whereas other jurisdictions have both water and wastewater systems, not to mention that San Francisco treats it's rain water and any overflow to a much larger extent than other jurisdictions. In concluding he encouraged the public to be involved in the process by attending the Rate Fairness Board meetings, the next of which he said is Wednesday, April 11th in City Hall, Room 263, and via the PUC meetings. He announced that the new rate proposal would be considered by the PUC at its May 8th meeting at 1:30PM, and he welcomed questions. **Commissioner Thigpen** asked about new hook connections for new buildings, and wondered what the capacity would be for all the new developments. **Mr. McDonald** said the new rate proposal also takes these new developments into account and said it is funding to deal with that fact. **Commissioner O'Connor** thanked the PUC for their presentation.

Item 9 – PRESENTATION ON MAGIC (Mobilization for Adolescent Growth in Our Communities)
Sheryl Davis of Mo Magic thanked the Commission for allowing Mo Magic youth to come forward to share and talk about the entrepreneurial program, which is both a female and male program although none of the boys were able to attend the meeting. She stated that MAGIC is a program out of the Public Defenders Office, stating that it has been in Bayview for the past three years and said that from a recommendation by Supervisor Mirkarimi and support of the Board and the Mayor's Office it was funded to expand to the Western Addition. She reported that since November of last year they meet every other Wednesday at the African American Art and Cultural Complex in the Western Addition for

two hours over lunch and said that since the beginning they have had 70 organizations including CBO's and City agencies/departments, community members and youth participate. For the purpose of the Commission meeting she said they would present the Economic and Vocational Advancement Component of the program. She explained that the youth present have participated in the program by either having businesses at the African American Art and Cultural Complex, or by catering events at City Hall and via participation in the Jazz festival and Juneteenth celebration. She said they worked on the power point presentation which they will show, and said that it is a trial run for them because she said they will be doing a presentation to DCYF as part of the Youth Entrepreneurial grant, which they applied for through them. She asked the young ladies to introduce them selves before starting their presentation and they are as follows: **Myisha Collins, Anjeanette Coats, Shavanne Coats, Che Graftanay Mims, and Kelvina Burton.** The presentation consisted of a cohesive business plan, whereby each youth presented a piece as it related to each of their personal endeavor, which included a flower shop and gift store, and clothing design and sales, and greeting cards. They said they hope to grow their business by expanding into other districts in the city and bringing in additional youth to work the store. They said they look forward to collaborating with the Commission and other business groups and organizations and hope to attract new customers with brochures and flyers and word of mouth as well as with radio advertisements. **Sheryl Davis** said that some of the ways to collaborate would be to participate in career day, attend workshops and mixers, and by co-hosting events with other business related organizations. She reported they are working with Urban Solutions and hope to have some workshops for youth in the summer months that will teach the youth about the many aspects of having a business, and give them an opportunity to visit businesses and talk to the owners to gain first hand knowledge. She asked for the Commission's help in identifying businesses to visit or events to participate in. They presented each Commissioner with gift basket representative of their work. **Commissioner O'Connor** thanked the students for their presentation and applauded them for their efforts, stating that this is exactly how everyone gets started, stating that it takes a lot of work, but it does have its rewards. **Commissioner Murad** thanked the girls for their presentation, and said that for him it has been one of the best things the Commission has done by inviting this presentation. He said there is no question each one of them is a small business owner and said they would go on to do very well.

Item 10 - NEW BUSINESS

Commissioner Ventura requested an update from the Department of the Environment on their SF Energy Watch program and outreach to businesses. **Commissioner O'Connor** stated that in the past the Commission had voted in support of the Marina Farmers Market. He said that he would ask staff to re issue the letter of support for this year. **Acting Director Mike Farrah** agreed to re issue the letter.

Item 11- GENERAL PUBLIC COMMENT

Mike Musluh commented on the proposed new rates for water and wastewater stating that he found it interesting that rates for restaurants are the most expensive rates. He encouraged the Commission to stay on top of this issue adding that the cost should be evenly spread. With respect to the city's work on identifying absentee landlords, he said that the city had helped him identify a person to rent one of his spaces and he commended the city for their efforts toward that end.

Item 12- ADJOURNMENT

Commissioner Alberts made a motion to adjourn. Commissioner Ventura seconded. The meeting was adjourned at 8:08 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND AGENDA

MONDAY, MAY 14, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

SP
552
#1
5/14/07

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE APRIL 9, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft April 9, 2007 minutes

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

5. **SMALL BUSINESS AWARD PRESENTATION:** Presentation of award to Bob Sanchez of Casa Sanchez. Presentation by Commissioner Richard Ventura (Discussion Item)

6. **SMALL BUSINESS ASSISTANCE CENTER:** Presentation, discussion and possible action on the proposed Small Business Assistance Center. Presentation by Mike Farrah, Acting Director. (Discussion/Possible Action Item)

7. **SF ENERGY WATCH & OUTREACH TO SMALL BUSINESSES UPDATE:** Presentation, discussion and possible action on SF Environment's SF Energy Watch and related outreach to small businesses. Presentation by Alena Gilchrist of SF Environment (Discussion/Possible Action Item)

8. **RELATIONSHIP BETWEEN PARKING, NEIGHBORHOOD BUSINESSES AND FAMILIES:** Presentation, discussion and possible action on Supervisor Alioto-Pier's request for hearing on File No. 070428 [Relationship between parking, neighborhood businesses and families]. Presentation by Bree Mawhorter, Legislative Aid to Supervisor Alioto-Pier (Discussion /Possible Action Item). Explanatory Documents: File No. 070428

9. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

10. **ADJOURNMENT:** (Action Item)

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MIKE FARRAH, ACTING DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

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Small Business Commission

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May 14, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, May 14, 2007 5:30 PM

Small Business Commissioners

Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones
Commission Secretary – Martha Yañez
Members Absent: Commissioner Richardson, Commissioner Murad

Call to order:

Item 1 - ROLL CALL

The Small Business Commission met on Monday, May 14, 2007 in regular session. The meeting was called to order at 5:40PM.

Item 2 – APPROVAL OF THE APRIL 9, 2007 MEETING MINUTES

Commissioner Chiu made a motion to approve the minutes as submitted. Commissioner Ventura seconded. The motion was unanimously approved by the Commission.

Item 3- GENERAL PUBLIC COMMENT

Scott Hauge representing the Small Business Network, invited the Commissioners to the Networks annual award gala to be held on Thursday, May 17th from 6-9PM at the Miyako Hotel in San Francisco. To RSVP or if there are any questions he informed the Commissioners to contact Pat Christensen.

Item 4 – COMMISSIONER AND STAFF REPORTS

Commissioner Thigpen thanked everyone who participated in Small Business Week events and activities. She said it was a wonderful week in celebration of San Francisco's small business community. She was especially pleased with the Green Business Gala and the Flavors event. **Commissioner Ventura** thanked all the sponsors of Small Business Week, with a special thank you to Wells Fargo, presenting sponsor. He said they were all very pleased and looks forward to participating next year. **Commissioner Alberts** said that she was proud of everyone who helped plan the weeks events and in particular of Commissioner Thigpen who has been involved and spearheading Small Business Week since the beginning when it was just a thought in the Outreach Committee of the Commission. **Acting Director Mike Farrah** thanked Martha for drafting the legislation to waive the temporary occupancy permits for the sidewalk sales. He said he would be preparing thank you letters

for all the sponsors. He said he heard the Chamber event was also a huge success. On to a different issue he reported that he represented the Commission at a hearing before the Sunshine Ordinance Task Force on an issue of privacy and said that he would have a follow up hearing scheduled in a week or so. **Commissioner O'Connor** said that he attended an event for Small Business Week in the upper Haight with merchants and residents and said it was a great turnout. He said each of the businesses hosted a part of the event at their place of business, so for example one business for appetizers, another for drinks. He said it was a great model for other businesses to follow. **Commissioner Alberts** acknowledged the Bayview sidewalk sales stating that she was very impressed with the event they put on, stating that they good and services were great and said they deserve real recognition.

Item 5 –SMALL BUSINESS AWARD PRESENTATION

Commissioner Ventura introduced Bob Sanchez of Casa Sanchez, stating that he is the 3rd generation of the family run business which started in Pacific Heights in the early 1900's as a tortilla factory. He said that they later followed their clientele to the Mission District and started making chips and salsa for sale. He said the business has continued to grow and remains family owned and operated. **Mr. Sanchez** accepted his award and thanked the Commission. **Scott Hauge,** a member of the public also wished to acknowledge Bob Sanchez and said that one thing that was left out was that Mr. Sanchez had served as a former Commissioner.

Item 6 – SMALL BUSINESS ASSISTANCE CENTER

Acting Director Mike Farrah said that Mayor Newsom with the support of Treasure Jose Cisneros recently introduced the creation of a business assistance center to be housed in the Treasure and Tax Collector's Office. He said the Mayor would include this in his budget and will introduce to the Board of Supervisors in the next couple of weeks. He said the center would be housed in the Treasure and Tax Collector's Office. He said that the Commission should be involved in the design of the center and state what ought to be included in the program and in service delivery. He said the vision is to have the center be the central point for information and have the center be a place where representatives of some of the city's other regulatory agencies and non profit service providers could keep office hours and be available to the public there. He said the center would also provide a unique opportunity to educate businesses of some of the other programs such as the loan program or façade program, technical assistance and business classes. **Commissioner O'Connor** said this was a great idea and one that the Commission should be engaged in. **Commissioner Thigpen** asked if and to what degree the center would provide technology. Regarding the long term funding of the center, she asked if it would be possible to take a portion of the permits to fund the center. Finally she said that the Commission should be the head of the center and who ever is hired as the manager or center director, that person should be available to report to the Commission on a regular basis. **Acting Director Farrah** responded to the question related to funding the center, stating that they would not want to create new fees, stating that it sort of defeats the purpose of providing the service. He said because it is a new service, they will likely create new revenue. He said the Board of Supervisors will likely bring this up and attempt to take full time employees and re direct them. Regarding the center's technology, he said it would be key and central to the center and should be the first order of business. **Commissioner Ventura** asked about the hours of operation, stating that it might make sense to offer after hours or weekend hours to accommodate businesses owners who often can not leave their work locations. **Acting Director Farrah** said that it was a great suggestion and exactly the kind of thing they will need the Commission's help with going forward. **Commissioner Alberts** suggested that folks visit Oakland's office, stating that they have a great program in place in Oakland. She said the center should be well staffed by people who actually know the process with regard to the specific departments. She suggested having a greeter to direct the public and make sure people are attended to. **Acting Director Farrah** said that there would be training involved to make sure staff knows what is expected of them. He said he would love to visit the Oakland office and offered to go together. Commissioner Chiu thanked Acting Director Farrah for his leadership on this. He asked about and spoke to the importance of listing vacancies and making those known to the public. He asked if the center might include a way for the public to view a list of vacant commercial properties. He also suggested that there be an automated FAQ, so that when folks ask a question, the answer automatically gets posted or created. **Acting Director Farrah** said that they are in the process of

putting together an FAQ for the 311 call center operators, and said that they would be able to work from that for this purposes. **Commissioner Alberts** said that a very important component would be marketing of the center and suggested that the center not open until completely ready to serve the public. **Scott Hauge** said that that the center idea has been a long time coming. He also mentioned the Mayor's mention of his Executive Order at the last meeting and said that there is something in there that requires every department to identify a person to serve as a liaison to the Commission on contracting goals. He suggested the Commission revisit that Executive Order and implement the order.

Commissioner Chiu made a motion to support the Business Assistance Center and the necessary budget appropriations for it. Commissioner Thigpen seconded. The Commission unanimously approved the motion.

Item 7- SF ENERGY WATCH & OUTREACH TO SMALL BUSINESSES UPDATE

Commissioner Ventura reported that the program was implemented on February 9th and since six contractors have been chosen. Of which one is an LBE with two more in the pipeline. He said that 75 sites have been audited thus far with 39 of those accepted for the program, of which 13 have since been installed. Overall he said 70% of the work is lighting and 30% is refrigeration. **Commissioner Thigpen** asked why the smaller number in refrigeration since it seems to have the larger environmental impact. **Alena Gilchrist** of the Department of the Environment said that this number should go up with the next report, stating that there was a learning curve with the contractor. **Commissioner Ventura** said that one of the reasons that he wants to keep this on the Commission's radar is to keep businesses informed of this opportunity. **Alena Gilchrist** said that there is a hotline for more information at 355-3769. She also congratulated the Commission on Small Business Week and said that they met a lot of people and made a lot of connections at the event.

Item 8- RELATIONSHIP BETWEEN PARKING, NEIGHBORHOOD BUSINESSES AND FAMILIES

Bree Mawhorter stated that the supervisor became interested in this because of the fact that parking spaces are an important resource to San Francisco families, stating that families use their cars to get to work, to transport their children to school, to run errands among other things. She said that the Bay Area Metropolitan Transportation Commission estimates that 90% of homeowners and 40% of renters own a car. Unfortunately the city's parking resources are in decline, stating that Caltrans estimated that since 1999, the City has lost 10 thousand parking spaces. She said this begs the question what do we do about this problem, and said that in the mid 1990's the city created the Off Street Revenue Parking Account, which is chartered in the Traffic Code Section 213 and said that the net revenue from any parking facilities that are owned and operated by the city of San Francisco should be deposited into this account, and the funds in this account have to be spent on construction of off street parking facilities. She said that little to no parking establishments have been built in the ten years of this account. Thus the intent of the hearing is to find out how much money has gone into this account, what the account balance is, and how the money has been spent, as well as to look at the possibility of building parking facilities going forward. She said they hope to calendar the item in June or July and will be communicating this to the Commission going forward. **Commissioner Thigpen** thanked the Supervisor and her staff for bringing this forward. She asked when and where the last parking facility was built. **Bree Mawhorter** said that this is one of the questions they hope to answer. **Commissioner O'Connor** as a side note said that there would be an upcoming hearing on the use of the DMV lot during off hours. **Commissioner Chiu** asked if they had any hypothesis on parking arrangement as related to parking and businesses. He asked if they would allow local neighborhoods to have an input with respect to parking arrangements. **Bree Mawhorter** said that they would be open to suggestions.

Item 9 - NEW BUSINESS

Commissioner O'Connor requested a presentation from the Planning Department on their small business plan or guidelines. He also said he would like a presentation from Tangerine Brigham on the HAP. Furthermore he said he would like to invite someone to present on the Backstreet Business Task Force. **Commissioner Thigpen** requested a presentation from the City's Real Estate Division on the

commercial opportunities for businesses. She also said she would like a presentation on the Transportation Effectiveness Project in July perhaps and said she would be particularly interested in the bus shelters and possible opportunities to partner with businesses. **Commissioner Ventura** asked about the Tax Reform issue. **Commissioner Chiu** said that Supervisor Peskin has requested to obtain more info and data in order to move forward and said that they are essentially waiting for that info to decide how to proceed. **Acting Director Farrah** said that he would like to present the Commission with a three month task calendar prior to leaving his role as Acting Director.

Item 10- ADJOURNMENT
Commissioner Thigpen made a motion to adjourn. Commissioner Alberts seconded. The meeting was adjourned at 6:41 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND AGENDA

SF
552
#1
6/11/07

MONDAY, JUNE 11, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE MARCH 16, AND MAY 14, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft March and May, 2007 minutes

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

5. **SMALL BUSINESS AWARD PRESENTATION:** Presentation of award to Charles Spencer of The New Chicago Barber Shop 3. Presentation by Commissioner Raye Richardson (Discussion Item).

6. **PRESENTATION ON THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT'S ECONOMIC DEVELOPMENT GRANT PROGRAMS FOR FISCAL YEAR 2007-2008:** Presentation, discussion and possible action on MOCD's Economic Development Grant Programs for FY 07/08, and establishing a system for updating Commission on performance outcomes of grantees. Presentation by Albert Lerma, MOCD Program Director (Discussion/Possible Action Item). Explanatory Documents: 2007-2008 CED Funding handout

7. **PRESENTATION FROM PLANNING DEPARTMENT:** Presentation, discussion and possible action on Planning Department's small business plan and related guidelines; exploring the feasibility of developing guidelines to encourage neighborhood-friendly commercial spaces in mix-use projects. Presentation by Jonas Ionin, Senior Planner, Planning Department (Discussion/Possible Action Item).

8. **PRESENTATION ON THE SAN FRANCISCO RETAIL DIVERSITY STUDY:** Presentation, discussion and possible action on SF LOMA's San Francisco Retail Diversity Study; exploring feasibility of implementing a 10% increase in government procurement targeted to local, independent small businesses. Presentation by Hut Landon, Executive Director, SF LOMA (Discussion/Possible Action Item). Explanatory Documents: Study, Executive Summary, Talking Points

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RICHARD VENTURA

9. **FOOD SERVICE WASTE REDUCTION ORDINANCE:** Presentation, discussion and possible action on the San Francisco Food Service Waste Reduction Ordinance No. 295-06. Presentation by Joan Lubamersky of the City Administrator's Office, and Jack Macy of the Department of the Environment (Discussion /Possible Action Item). Explanatory Documents: Ordinance No. 295-06

10. **PRESENTATION ON THE CITY'S REAL ESTATE DIVISION:** Presentation, discussion and possible action on the City's Real Estate Division's responsibilities and opportunities for small businesses, and establishing an MOU agreement between departments to promote opportunities for local small businesses to bid on potential commercial space. Presentation by Amy Brown, Director of Real Estate (Discussion/Possible Action Item).

11. **PRESENTATION ON THE INDEPENDENT LIVING RESOURCE CENTER (ILRC) MARKETING GRANT:** Presentation, discussion and possible action to assist ILRC market and outreach to small businesses about programs and services available through their organization. Presentation by Lana Nieves, Development and Communications Director (Discussion/Possible Action Item).

12. **SHOP LOCAL FIRST CAMPAIGN DISCUSSION:** Presentation, discussion and possible action to identify, select and convene a stakeholder panel to discuss the re-design, development and implementation of the San Francisco Shop Local First Campaign. Presentation by Commissioner Thigpen and Director Briones Ubalde (Discussion/Possible Action Item).

13. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

14. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

15. **ADJOURNMENT:** (Action Item)

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Chemical Sensitivity

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Small Business Commission

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June 11, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, June 11, 2007 5:30 PM

Small Business Commissioners:
Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez
Members Absent: Commissioner Alberts (excused), Commissioner Chiu (excused), Commissioner O'Connor.

Call to order:

Item 1 - ROLL CALL

The Small Business Commission met on Monday, June 11, 2007 in regular session. The meeting was called to order at 5:41PM.

Item 2 – APPROVAL OF THE MARCH 16, 2007 AND MAY 14, 2007 MEETING MINUTES

Commissioner Ventura made a motion to approve the March 16, 2007 minutes as submitted. Commissioner Richardson seconded. The Commissioners unanimously approved the March 16, 2007 minutes as submitted.

Commissioner Ventura made a motion to approve the May 14, 2007 minutes as submitted. Commissioner Richardson seconded. The Commissioners unanimously approved the May 14, 2007 minutes as

submitted.

Item 3- GENERAL PUBLIC COMMENT

Bruce Bonacker representing the Small Business Advocates said that the MTA had recently completed its outreach process for the Geary BRT, stating that the Small Business Advocates had submitted a letter to the MTA, with a copy to the Commission, with a list of concerns they have with the next phase of design and development in the interest of maintaining and reinforcing the small businesses that exist on the corridor, stating that the letter specifically addressed concerns with regard to Geary Blvd, but said they would likely apply to Van Ness Avenue as well. He requested that the Commission consider asking MTA staff to come talk to the Commission about how they are incorporating provisions in the interest of small business within their planning for BRT development. He said they have done their community outreach and are about to embark on the environmental impact analysis, and their actual planning for the construction of the project. He said that some of the concerns that they have are related to how long it takes for them to do what they do, how they bite off bits and pieces of the project and block traffic within certain blocks. He said that there is the Third Street model which he said they feel was completely dysfunctional and although it was a light rail model, there are lessons to be learned from it, particularly with respect to project management and design, which were done poorly . He said that perhaps the next phase can include an advisory committee made up of people from Geary Blvd., adding that this is one of their recommendations, as well as the Commission for the benefit of the local economy and community. He encouraged the Commission to request a follow up presentation from the MTA to discuss the project.

Commissioner Thigpen said that the MTA had previously presented to the Commission at which time the Commission had requested that they consider doing an economic impact analysis, to which the MTA's response was that they would not be doing one because they said it was not something that they do, in fact they have never done one.

Item 4 – COMMISSIONER AND STAFF REPORTS

Commissioner Ventura reported on the San Francisco Sick Paid Ordinance, stating that the current and final FAQ had been posted to the Office of Labor Standards Enforcement's webpage at www.sfgov.org/olse. He also said folks should call the hot line at 554-6271 if they have further questions. He announced a public meeting on the new Food Service Waste Reduction Ordinance, which as June 1, 2007, requires food vendors and restaurants in

San Francisco to use compostable or recyclable to-go containers. Polystyrene foam (Styrofoam™) disposable food service ware can no longer be used for food prepared in San Francisco. He reported that the Department of the Environment would be presenting an update on their SF Energy Watch program next month, and said that the Small Business Week Committee would begin to meet soon to start planning for SBW 2008. **Commissioner Thigpen** reported that planning had begun for Small Business Week 2008, stating that the committee hoped to have a stronger neighborhood component next year. She thanked the Supervisors for waiving the fees for the sidewalk sales which were a great addition and neighborhood component, but said she hoped more merchants could participate. She reported that BALLE (Business Alliance for Local Living Economies) had held their annual conference recently at UC Berkeley and said that next year the conference will be held in Boston and if anyone is interested in attending they should go to the website at www.livingeconomies.org. She reported on the Business Assistance Center and said that the chair of the Budget and Finance Committee is proposing to cut funding for the center. She said that there would be a meeting in the following week in case anyone is interested in attending and referred them to the Board of Supervisors website at www.sfgov.org/bos.

Item 5 –SMALL BUSINESS AWARD PRESENTATION

Commissioner Richardson said that she did not know anyone in her community that is more deserving of this award than Mr. Charles Spencer. She said Mr. Spencer is one of the few black owned businesses that are left in the Fillmore, adding that he truly is committed to the community and for that she nominated him. She presented Mr. Spencer with an award on behalf of the Mayor and the Small Business Commission in recognition of his commitment to the community and as a small business owner. **Mr. Charles Spencer** accepted the award and thanked Dr. Richardson and the rest of the Commissioners. He gave a brief back ground of his business, stating that a gentleman had originally come from Chicago and started three barber shops here, which he eventually sold to separate parties. He said he purchased the New Chicago Barbershop #3. Reggie said that he has been with the organization since 1968 and confirmed that there was one owner of three shops originally and said that the shops represent one of the longest running Afro American barber shops in the city. **Johnny Daniels**, a gentleman who shines shoes at the barbershop said that there are five black owned businesses on Fillmore Street including the New Chicago Barbershop #3 and said that there were many more businesses there at one point but said he did not know where they went or what happened to them. **Mr. Spencer** said that the

Fillmore and the Western Addition was home to a vibrant and thriving business and residential black African American community, but said that several market and social forces contributed to the breakup of this community, the most significant of which has been the negative impacts of the San Francisco Redevelopment Agency. He said that although good things are happening in the Western Addition now, it's disheartening to know that they are happening at the expense of the African American community. He requested that the Commission use its intellect, its desire for fairness, and power of influence and persuasion to understand the loss of African American businesses in San Francisco and then develop a strategy to participate in its revival.

Item 6 – PRESENTATION ON THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT'S ECONOMIC DEVELOPMENT GRANT PROGRAMS FOR FISCAL YEAR 2007-2008

Al Lerma of the Mayor's Office of Community Development said that their process is almost exclusively dictated by the federal Housing Urban Development Department or HUD, which is where they get their funding from for their programs. He said that they are required by HUD to focus on serving low to moderate income communities in San Francisco, stating that this drives what they do. Within that, they are required to have a 5 year consolidated plan which could be found on their website if anyone is so interested, and said that the four goals they try to achieve under that plan are to promote economic self sufficiency to low and moderate income families, strengthen neighborhood vitality, increase social services, and promote equity based public policy strategy. He reported that the neighborhoods that they target based on their call and includes Mission, SOMA, Visitation Valley, Chinatown, Western Addition, and the Excelsior. He said that they do an annual RFP in December and said that this year was the first time they offered an on-line application process. He reported that they just recently completed the application process, stating that they are required to have a public process. He said that the bulk of what they fund are neighborhood economic development organizations or NEDO's, stating that 1.5 of total 1.88 million dollars go to NEDO's, adding that they do fund some other projects including Juma Ventures, which oversees the concessions at the ball park, providing employment training and placement for example, as well as La Cocina, a community kitchen providing business development assistance to low income woman of color interested in starting their own food based business. He provided a list of the organizations that they fund with the total amount funded and description of services. He reported that the primary services of the NEDO's are to provide technical assistance, entrepreneurial training, access to

capital, specifically loan packaging services, and a range of other services including but not limited to permit and business licensing assistance. He said they track these services via monthly work plans which provide info on the number of businesses or clients assisted and the details about the type of services provided. He said that they are currently working on putting together a matrix that tracks all the information that they collect. **Commissioner Thigpen** asked what kind of programs did not receive funding. **Al Lerma** said that they also fund non profits providing social impact type services and said that they receive a lot of these types of applications, but said that unfortunately due to budget they only tend to fund existing agencies because they can leverage the funds they get from them so that they are not dependant on them. **Commissioner Ventura** asked for clarification on funding to the Mayor's Office of Economic and Workforce Development for the Enterprise Zone or EZ. Al Lerma explained that the EZ has been around for a long time and said it was recently renewed with added designated areas expanding the zone. He explained that the PIC or the Private Industry Council, a non profit agency of the state agency was in charge of overseeing the zone and issuing the vouchers for the tax credits, but said that as of July 1st, these provisions would be transferred to the city and administered by the Mayor's Office of Workforce Development specifically. **Commissioner Ventura** said that one of the challenges with the EZ was to make the EZ and the tax credits available under the EZ known to micro businesses and the business community at large, and how to apply for them. **Al Lerma** said that everyone has a stake in the EZ program and said that new staff will be trained in all aspects including marketing the program, something that was lacking. **Commissioner Murad** asked for clarification on the tax credit, what is it issued for and to whom. Al Lerma said that there are two categories with respect to tax credits and said that they include the location of the business within the EZ as well as hiring people from a location within the EZ. **Commissioner Richardson** asked if any of the programs included organizations that are providing interns for small businesses. **Al Lerma** said he did not think any of the organizations were providing such a service. **Commissioner Ventura** said that he would like to get information on the number of businesses assisted and information on how much money has been loaned.

Commissioner Ventura made a motion to request that MOCD report to the Commission on a quarterly basis specifically on businesses assisted and loans given, and to invite small business to share their stories. Commissioner Murad seconded. The Commission unanimously approved the motion.

Item 7- PRESENTATION FROM PLANNING DEPARTMENT

Jonas Ionin, Senior Planner with the Planning Department and liaison to the Small Business Commission working directly with Commission Secretary Martha Yanez on small business related inquiries said that he would first like to clarify that the Planning Department does not have a 'small business plan' per se, but rather the department indirectly promotes the preservation, expansion and enhancement of small businesses and creates opportunities for small businesses to exist in San Francisco through the objectives and policies set forth in the city's general plan. He added that small business is specifically addressed in the Commerce and Industry element of the general plan, adding that Policy 6.2 specifically states the following: Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society. Furthermore he said that Section 101.1 of the general plan includes priority policies adopted by Proposition M in 1986, the very first one of which speaks directly to small businesses establishing that existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced. Additionally, he said yet another policy establishes that a diverse economic base is maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced. So he said that as much as they can not place small businesses in specific locations, they can create opportunities for them to exist in through regulation of land use. He said that the Planning Department is also responsible for either administering or facilitating legislation that promotes small business growth in San Francisco, giving the example of formula retail restrictions, stating that they now have a process by which formula retail businesses can no longer locate in certain zoning districts, adding that in most cases they require conditional use authorization from the Planning Commission. He said there are also big box retail use size zoning restrictions or limitations that are in place for certain zoning districts, as well as use size limitations in neighborhood commercial districts or NCD. However he said small business is not defined in the Planning Code and asked if the Commission had defined small business, adding that it could mean a lot of things. He said that NCDs were established acknowledging the neighborhood serving retail businesses and said they are designed around small businesses with use size limitations, many being under 1,000 square feet and others under 5,000. He reported that the Planning Department is currently reviewing NCDs and will publish a report in the next month or so, coinciding with the 20th anniversary of the creation of the NCD. He presented a graphic showing the number of CU or conditional use authorization cases that have come before

the Planning Commission in NCD, stating that uses are either principally permitted or conditionally permitted. He said the graphic shows what type of cases are being applied for and which are approved and which are not. He said that part of the NCD report is reevaluating whether or not the size restrictions are valid anymore, and said that small businesses have a longstanding footing in residential districts where they are no longer permitted but have been sort of grandfathered in through what they call limited commercial or nonconforming uses, allowing them to continue to exist provided there are no significant expansions. **Commissioner Thigpen** asked when the report would be ready for review. She requested for the Commission to get a copy of the report and to find out about any public meetings on the report. She asked if any recommendations would come from the report. **Jonas Ionin** said that it would likely be presented to the Planning Commission in July or thereafter. He said the report will be an initial first step and said he did not know if any recommendations would be forthcoming. **Commissioner Richardson** asked about the definition of formula retail. Jonas Ionin loosely defined formula retail as an establishment with 11 or more stores in the United States and having uniformity in both the décor and uniforms. **Bruce Bonacker** of the Small Business Advocates Land Use Committee talked about size restrictions, stating that it is a very important issue, stating that particular uses are offensive when large, but non offensive when small. He said that some use restrictions prevent restaurants from locating in certain zoning districts, but also prevent rents from going up astronomically. He asked the Commission to encourage the Planning Department to continue grandfathering these existing commercial uses in residential districts or to proactively encourage it. **Jonas Ionin** added that with respect to new developments, the Planning Departments internal policy has always been to include mixed use on ground floor in order to create pedestrian friendly, healthy streets scapes. **Commissioner Thigpen** said that while this was good policy, the Commissioner would also like to see and would encourage new developments to include and make available smaller spaces, so that the ground floor commercial space that is available is not too large for small neighborhood serving businesses to go into. **Commissioner Murad** said he would support the idea to continue and actively promote the grandfathering of existing commercial spaces in residential districts. **Commissioner Thigpen** suggested asking the Planning Department to consider keeping and actively work to promote keeping commercial spaces in residential districts. **Director Briones** Ubalde asked if there was a way for the Commission to inform policy such as carving out smaller spaces more suitable for small businesses in new developments for example. Jonas Ionin suggested that if the Commission feels strongly enough about this issue they should create a resolution to be

presented to the Planning Commission so that they are aware that this is a concern of the Commission. He cautioned however that focusing on use size may be limiting opportunities for only small businesses, which he said raises another question, that being how does the Commission define small business. Commissioners opted to hold off on any action at this time and rather have Jonas back when they are able to obtain more information and a possible draft of a resolution or MOU between the departments.

Item 8- PRESENTATION ON THE SAN FRANCISCO RETAIL DIVERSITY STUDY:

Hut Landon, Executive Director of SF LOMA (Locally Owned Merchants Alliance) thanked the Commission for the invite to present to them. He said the purpose of the study is to identify and promote locally owned merchants in San Francisco. He said that they started with this premise that locally owned merchants have a much higher value than chains do based on a study in Chicago which showed that for every $100 spent in a locally owned business, $68 is returned to the local economy vs. $40 of every $100 spent at chain stores, a 60% difference. He said this happens because locally owned businesses hire other local businesses such as attorney's, web designers, and local print and supply businesses, which also reinvest in the community. He said they asked Civic Economics to look at a few things including; is there a viable vibrant merchant district in San Francisco, calculated impact, and what would happen if customers shifted their spending habits 10% to local merchants. He reported that all of this is detailed in the study which can be found on their website at www.sfloma.org, and said that the study shows that local merchants do in fact provide an economic benefit to the city. He said their hope is that the study will give them additional power and more reason to encourage shopping from locally owned merchants. **Pete Mulvihill,** owner of Green Apple Books and a member on the SF LOMA Steering Committee said that there are essentially 3 audiences of the study, consumers, businesses, and government. He said that they are not clear how to proceed per the findings of the study, specifically they are not sure what they want to request from the Commission, but said that generally they want to encourage city government and the public at large to shift spending habits so that they purchase from locally owned businesses and merchants as opposed to large chain stores. He announced that local businesses may join SF LOMA and directed folks to the website for more information.

Item 9 – FOOD SERVICE WASTE REDUCTION ORDINANCE

Jack Macy, of the Department of the Environment said that this ordinance is a great opportunity to do good by the environment. He said there are two

requirements of the ordinance stating that effective June 1, 2007, the Food Service Waste Reduction Ordinance requires that San Francisco restaurants and food vendors serving food prepared in San Francisco no longer use any polystyrene foam, otherwise known as Styrofoam, as disposable food ware. The ordinance also requires that any disposable food service ware or to-go containers be compostable or recyclable for food prepared and served in San Francisco, unless there is no suitable product that is within 15% of the cost of non-compostable or non-recyclable alternatives. He said the main reasons for banning Styrofoam is that it is toxic and non biodegradable. He said compostables are paper products or plastics that are corn based. He showed many examples of alternative products and provided the Commission with informational fliers about the ordinance as well as a list of some of the alternative products and where to purchase them. Joan Lubamersky of the City Administrator's Office said that they are responsible for enforcing the ordinance and said that their goal is really to educate folks about the new requirements as opposed to punishing them. She said their goal is compliance, but said that enforcement will begin after their initial education campaign and will likely be administered on a complaint basis as they do not have dedicated staff for enforcement. She said they mailed about 6,000 mailers to existing restaurants, and hope to reach more people. She said their hope is that DPH will help them educate and inform business owners of the new requirements and their responsibilities under the ordinance during their regular site visits. She said they would hope that DPH would then report any violations to them for enforcement purposes. **Commissioner Ventura** thanked staff for responding to their emails and clarifying the 15% rule, stating that folks were concerned about the miss information that had initially gone out. He reiterated that fact that pointed out that businesses must comply unless there is no suitable product that is within 15% of the cost of non-compostable or non-recyclable alternatives. He asked if the fliers were available in multiple languages, and if there would be additional public meeting/forums scheduled to inform stakeholders. **Jack Macy** responded stating that the fliers are all available in English, Spanish and Chinese, and said that if additional meetings were warranted, they would certainly be open to hosting more. **Commissioner Thigpen** expressed her frustration with the seemingly duplication of efforts and questioned why DPH is not responsible for the enforcement, since she said it only makes sense, because of the fact that they are already visiting businesses. Other Commissioner agreed that enforcement of the ordinance should fall within DPH.

Commissioner Murad made a motion to amend the Food Service Waster Reduction Ordinance of the SF Environment Code Chapter 16, Section 1606, Enforcement and Penalties to require the Department of

Public Health to be the enforcing agent. Commissioner Richardson seconded. Unanimous approval from the Commission.

Item 10 - PRESENTATION ON THE CITY'S REAL ESTATE DIVISION
Amy Brown, Director of Real Estate for the City said that Real Estate oversees the acquisition of all real property required for City purposes, the sale of surplus real property owned by the City, and the leasing of property required by various City departments. The Real Estate Division also provides property management services for various City departments as well as managing City owned buildings including; 1 South Van Ness, 25 Van Ness Avenue, 30 Van Ness Avenue, 1650 Mission Street, 1660 Mission Street, and 555 7th Street. However, she said that unlike the Port or the Airport, the Real Estate department is a non enterprise department. She said that part of managing the buildings is leasing spaces within those buildings if they exist, and let the contracts for maintenance of the buildings. For example, she said that currently they have a janitorial and security contracts for some of these buildings that businesses could bid on, adding that 555 7th Street, a smaller building is packaged by itself to encourage and allow bids from smaller businesses. Additionally, she said they often work with other city agencies acting as a real estate consultant to Departments, the Mayor, and the Board of Supervisors, helping them to lease their spaces and said they are currently working with the Parking Authority to lease retail space at their 3rd Street garage at Moscone Center which has not been very successful in the past and thus they are helping them repackage it. She announced that there is a draft RFP for City Hall, North Light Court, which they will let this summer, adding that it is a very focused RFP in that it calls for a socially responsible tenant. She announced that 1 South Van Ness Avenue has a space for a food court business, stating that there is an atrium where folks converge and said that it is a great opportunity for a small coffee cart or something of the sort. She said they would be releasing that bid in a couple of months. She reported that there is a retail opportunity at 25 Van Ness near the new Conservatory of Music on the ground floor and totaling 7,500 square feet, and said that the RFP for this space would be out this summer. **Commissioner Thigpen** asked if the businesses that occupy these spaces would be required to meet the City's 14B Ordinance. Amy Brown said they would have to be HRC certified and meet the equal benefit requirements etc. Commissioner Richardson said that in light of the fact that the Redevelopment Agency will go out of business in about a year, would their holdings be transferred to Real Estate. She also asked about the Old Mint and wondered whose jurisdiction that was under. **Amy Brown** said that she would need to get back to Commissioner

Richardson on the issue of the Redevelopment Agency and said that as for the Old Mint, it was transferred to the City in 2003, thereafter issuing a competitive RFP (Request for Proposals) to find a reuse for the building. The San Francisco Museum and Historical Society was selected to redevelop the historic building and create a new history museum celebrating the history of San Francisco. **Commissioner Ventura** asked where the public could find out about these RFP opportunities, and asked if the Commission could link to the RFP's. **Amy Brown** said that the RFP's are listed on the City's website at the Office of Contract Administration as well as on Real Estates website. She said of course the Commission could link to the RFP's and welcomed the suggestion. **Director Briones Ubalde** said that she would be happy to work closely with Amy Brown to form a MOU in order for the Commission to work more closely with the Real Estate Division.

Commissioner Ventura made a motion directing staff to create MOU by and between the Real Estate Division and the Small Business Commission. Commissioner Richardson seconded. Unanimous approval from the Commission.

Item 11 - PRESENTATION ON THE INDEPENDENT LIVING RESOURCE CENTER (ILRC) MARKETING GRANT

Herb Levine, Executive Director of the Independent Living Resource Center, a disability rights organization, said the issue of accessibility in the business community will not go away, stating that there is a lack of accessibility and said it is a building code and civil liberties issue. He said their goal is to deal with the issue not in an adversary way, but in a positive way, and said that they recently launched a campaign which was designed to reach out to the business community. He showed postcards that are part of the campaign to educate business owners about the accessibility and how lack thereof directly affects their bottom line. He said they are looking to the Commission to help them with the campaign in any way that it is able to, whether that be mailing the postcard or putting info on the website, stating that they would take any support from the Commission. He clarified that the campaign is not part of a grant, but rather the money for it came from their budget. **Commissioner Thigpen** thanked Mr. Levine for his efforts. She explained that the issue came about a couple of years ago as a result of an overzealous lawyer who filed several lawsuits against small businesses for accessibility issues. She recognized that accessibility, or lack thereof within the small business community is an issue and she welcomed the education campaign. **Herb Levine** added that the legal system has unfortunately been the only way to deal with some of these accessibility issues. He invited the Commission to

attend the ADA luncheon celebration on July 26th from 11-1PM.

Item 12 - SHOP LOCAL FIRST CAMPAIGN DISCUSSION
Item continued to the July meeting.

Item 13 - NEW BUSINESS
Commissioner Richardson requested a presentation on the status of the Alemany Farmer's Market as well as a general presentation on the effect of streets fairs and festivals on the local community. **Commissioner Ventura** requested to place on the agenda an update on Mayor Newsom's Executive Directive. **Commissioner Thigpen** requested to place a presentation from the City Attorney's Office on the Resolution process, a presentation on the Eat Local campaign, and perhaps a joint hearing with the Planning Department regarding the upcoming NCD report discussed earlier.

Item 14 – GENERAL PUBLIC COMMENT
No public comment at this time.

Item 15 - ADJOURNMENT
Commissioner Thigpen made a motion to adjourn. Commissioner Alberts seconded. The meeting was adjourned at 8:28 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND AGENDA

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1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE JANUARY 29, 2007 AND JUNE 11, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft January 29 and June 11, 2007 minutes

3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

4. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements including but not limited to:
   - DOE's SF Energy Program Update
   - Business Assistance Center Update

   (Discussion Item)

5. **SMALL BUSINESS AWARD PRESENTATION:** Presentation of award to Maria Jarvis of Global Yoga. Presentation by Commissioner Jordanna Thigpen (Discussion Item).

6. **PRESENTATION BY THE CITY ATTORNEY'S OFFICE ON THE RESOLUTION PROCESS:** Presentation and discussion on the Resolution Process. Presentation by Deputy City Attorney Adine Varah (Discussion Item)

7. **UPDATE ON MAYOR GAVIN NEWSOM'S EXECUTIVE DIRECTIVE 05-106, SMALL BUSINESS CONTRACTING AND SUPPORT RECOMMENDATIONS:** Presentation, discussion and possible action on Mayor Gavin Newsom's Executive Directive 05-106, Small Business Contracting and Support Recommendations. Presentation by Director Briones Ubalde and Commissioner Ventura (Discussion/Possible Action Item).

8. **EAT LOCAL CAMPAIGN PRESENTATION:** Presentation, discussion and possible action on the Eat Local Campaign. Presentation by Commissioner Thigpen (Discussion/Possible Action Item).

9. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

10. **ADJOURNMENT:** (Action Item)

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
MICHAEL O'CONNOR, PRESIDENT
JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

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Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

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July 09, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, July 9, 2007 5:30 PM
Small Business Commissioners:
Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez
Members Absent: none

Call to order:
Item 1 - ROLL CALL
The Small Business Commission met on Monday, July 9, 2007 in regular session. The meeting was called to order at 5:38PM.

Item 2 – APPROVAL OF THE JANUARY 29, 2007 AND JUNE 11, 2007 MEETING MINUTES
Commissioner Chiu made a motion to approve the January 29, 2007 minutes as submitted. Commissioner Thigpen seconded. The Commissioners unanimously approved the July 29, 2007 minutes as submitted.
Commissioner Ventura made a motion to approve the June 11, 2007 minutes as submitted. Commissioner Thigpen seconded. The Commissioners unanimously approved the June 11, 2007 minutes as submitted.

Item 3- GENERAL PUBLIC COMMENT
None

Item 4 – COMMISSIONER AND STAFF REPORTS
Commissioner Ventura reported on the Department of the Environment's Energy Watch Program, stating that for the months of March to June, the program served 78 customers. He said that the annual utility saving thus far is valued at $276,745 based on $0.15/kWh. He said the average utility savings per customer is $9,880, with $605,650 spent to date on T&M and over $200,000 on incentives. He reported that as of September 30, 2007 52% of budget has been spent with only 35% of the goals realized, adding that they are working to improve that number and said the low number is due in part to some issues they have had with the refrigeration installer. He said they are looking to change the installer and hope to improve those numbers in the next few months. **Commissioner Thigpen** asked why only 52% of the monthly budget had been spent, and wondered if this was not a contributing factor to the low rate of goal percentage. **Commission Ventura** responded stating that some of the companies that they are working with did not result in the amount of savings anticipated, adding that they need to do more outreach to different types of businesses and said that this is something that they will be focusing on going forward. **Commissioner Richardson** asked if there is money in the budget

for outreach. **Commissioner Ventura** said that there is money for outreach.

Commissioner Thigpen reported that she met with Ken Maly, an individual that works on local health related issues and said that he recommended that the Commission work with Supervisor Ammiano's office to hold a hearing, possibly a joint hearing with the Health Commission regarding Healthy San Francisco in August. She said specifically the subject of the hearing should focus on incentives that work places could develop and receive credit on the hourly rate that they pay for employees. **Commissioner O'Connor** said that it sounds like a good idea and asked Commissioner Thigpen to follow up on the issue, adding that he did not know exactly what if anything could come of it, but said it was a good idea.

Director Briones Ubalde provided an update on the Business Assistance Center, stating that while the Board of Supervisors appropriated $150,000 to the Treasure and Tax Collector, and $200,000 to the Mayor's Office of Economic and Workforce Development, unfortunately it is still less than half of what was originally requested and slated to fund the center. She said that Mayor Newsom and Treasurer Cisneros remain committed to the development of the Center and said that they would convene meetings in the next couple weeks to discuss how to proceed. She suggested that folks interested in participating in these meetings contact the Commission office for more information. On a separate topic, **Director Briones Ubalde** reported speaking to the Mr. Adam Melenkivitz, National Director of the American Small Business League regarding HR 1873, the Small Business Fairness in Contracting Act, which amends the Small Business Act to, among other things: (1) revise and add to Small Business Administration (SBA) requirements concerning contract bundling; (2) increase the government-wide goal for participation by small business concerns in federal procurement and service contracts; (3) include overseas contracts in such goal; and (4) require certain small businesses to annually recertify compliance with maximum small business size standards for eligibility for SBA-awarded contracts and subcontracts. She said the bill Directs the SBA Administrator to: (1) develop and maintain a database to assist small businesses in marketing to large corporations that have not achieved their small business goals; (2) contact registered small businesses regarding the likelihood of federal contracting opportunities; (3) prescribe regulations governing SBA review of subcontracting plans; (4) ensure that whenever a small business loses a protest over its size, a notification is placed adjacent to the listing for that business in the Central Contractor Registry; and (5) ensure a biannual review of such Registry to purge businesses no longer considered small businesses. She said she would keep the Commission informed. **Commissioner Alberts** volunteered to be actively involved in the development of the Business Assistance Center. **Commissioner Ventura** asked Director Briones Ubalde to keep the Commission informed as the meetings for the Business Assistance Center proceed.

Item 5 –SMALL BUSINESS AWARD PRESENTATION
Commissioner Thigpen introduced Mary Jarvis of Global Yoga, stating that Global Yoga has been operating in San Francisco for 11 years with two locations in the city. She nominated Global Yoga for this award because she said they have had a tremendous impact on thousands of people and their lives, adding that Mary has been a great teacher to hundreds of people over the years and said she could not think of anyone more deserving than she. **Mary Jarvis**, proprietor of Global Yoga thanked the Commission for their recognition and for their efforts to create a better place in which to do business. She acknowledged her staff, some of whom were in the audience, and said she could not do it with out their support.

Item 6 – PRESENTATION BY THE CITY ATTORNEY'S OFFICE ON THE RESOLUTION PROCESS
Adine Varah, Deputy City Attorney said that there is no formal rule or process for establishing resolutions, sating that there is no requirement that Commission's pass resolutions. However she said that resolutions are used by Commissions for a variety of reasons, and said that they often serve as a more formal way to get things done or make a statement, but said that they are not legal. In essence she said resolutions memorialize what a Commission feels or believes, or even what a Commission might be thinking. She said that a motion is typically used for staff purposes. For example, the Commission can make a motion to direct staff to study an issue. A resolution on the other hand,

outlines the thinking on a topic. For example, the Commission might adopt a resolution to urge the Mayor or the BOS to adopt or pass some law, adding that the same can be accomplished with a motion and said that it does not have a force of law, but is an important official statement. **Commissioner Thigpen** said that other Commissions use written resolutions and asked if other or all Commissions use that format. **Adine Varah** responded stating not necessarily. She said that two different Commissions could decide to do the same thing differently, and said that any Commission could pass a resolution, but said they are not obligated to do so. She suggested that staff prepare a draft resolution if the Commission should choose to do one. **Commissioner Ventura** asked if the Commission would calendar a discussion possible action on a resolution and perhaps even have a draft of the resolution prepared for discussion that they could vote on or not at that time. **Adine Varah** said that would be an accurate or proper way to do it.

Item 7- UPDATE ON MAYOR GAVIN NEWSOM'S EXECUTIVE DIRECTIVE 05-106, SMALL BUSINESS CONTRACTING AND SUPPORT RECOMMENDATIONS

Director Briones Ubalde reported that the issue had been championed by Commissioner Ventura and said that they had both attended a couple of meetings with the Human Rights Commission and the Office of Contract Administration, and said that the issue really has to do with the disadvantage business ordinance. She said that HRC is holding off doing an aggressive outreach until the lawsuit is final. As for OCA, she said that they are working on updating and improving their website to include e-contracting, and said that it would be up in the next couple of months. **Commissioner Ventura** said that e-contracting is an online source where folks may get information and sign up for notices on contracting opportunities. **Director Briones Ubalde** said that the intent of the directive was to establish advocates in various departments, and said that currently there are six representatives assigned to work with the Commission, including representatives from the Airport, Recreation and Park, the Port, the Health Department, the PUC, and Police. She went on to say that many of the departments have stated that while they do advertise contracting opportunities via their websites and monthly newsletters, as well as via list serves, they seem to lack capacity building, which she said maybe a gap that the Commission could help fill. She said that the Commission may be able to work with these agencies to work with the business community in order to get them contract ready, by collaborating on workshops etc, and said it is something the Office would like to pursue.
Commissioner Ventura said that many corporations have expressed experiencing issues related to contracting, and said the current process makes it hard to do business with small micro businesses. He said that he is working with some of these corporations to better understand how they deal with this problem and what they do to address it. **Director Briones Ubalde** said that the city should aggressively educate both department personnel and businesses so that they are aware of the various opportunities available to them and talked about departments discretionary funds as an example of untapped opportunities. She said that she is focused on helping small businesses get opportunities and making it easier for them to get certified. She also said advocacy within city departments is important and said that if anyone had any questions on the status of the pending lawsuit, they should call HRC or Deputy City Attorney Linda Ross. **Commissioner Alberts** suggested that the city reach out to the SBA, stating that they offer classes on government contracting and said that they often invite representatives' form other government offices including the Department of Defense to present on this issue. She also said that the Federal government and others often host contracting fairs which are great networking and matchmaking opportunities for businesses. **Commissioner Chiu** said that it is a very small fraction of local small businesses that get the contracts, and said that even this numbers have been called into question. He asked if there may be a preference that could be given to local business bidding on a contract. **Director Briones Ubalde** said that there is an effort to find the percentage of contracts awarded to local businesses that will be discussed at the next SF Stat meeting in late July, and said she hoped to have some information to report at the next commission meeting.
Commissioner Chiu said he believed there may have been a motion directing staff to get look into that very matter. Rob Black, Director of Public Policy at the San Francisco Chamber of Commerce said that they are very glad to see this item on the agenda and hear the Commission addressing the issue, stating that it is a very important issue to them. He said the certification process is too cumbersome for most businesses and suggested perhaps focusing on simplifying the process, rather than explaining

it, adding that LA's application is 1 page long. He said that SF Stat should be a monthly report, stating that Mayor Newsom has continuously told the public to hold him accountable, suggesting that perhaps the Commission out to pass a resolution urging monthly reporting. In response to Commissioner Chiu's call for a local preference, he said he believed both Oakland and LA have something similar to a local preference. **Stephen Cornell**, a business owner in the city said that he does business with the city, including the School District, stating that they have no set aside rules, but said that he does more business with them than any other city department. He said that the city's process includes pages of documentation, including prohibitions on the use of products form the rainforest, stating that the onus is on him, the small business person to ensure this is upheld. This is only one example of many restrictions, stating that it is too much for a small business to be able to participate. Furthermore he said that the city also has what they call "open" contracts with small businesses, but said what good are they if they never buy anything from them, and wondered if these contracts were counted in the reporting for SF Stat. He said the City should apply its prevailing wage law to the small businesses operating in the city. **Commissioner Ventura** thanked the public for their comments and agreed a resolution was necessary, and said perhaps he could work with Director Briones Ubalde to draft something to bring to present to the Commission at the next meeting. **Director Briones Ubalde** suggested the resolution include simplifying the process, monthly reporting, and goal setting among other things. Commissioner Chiu suggested including some of the comments from the meeting and said he would be happy to help with the draft.

Item 8- EAT LOCAL CAMPAIGN PRESENTATION

Commissioner Thigpen reported that the Council of District Merchants is spearheading the campaign and said that they plan to launch a consumer/public awareness campaign along with it to educate people about what it means to eat local, and where the food that people eat comes from, and the benefits of buying food that it grown locally, so that they may make informed decisions. With that, she asked for the Commission's support, stating that it would not require any funding. **Commissioner Ventura** said he thought it was a great opportunity to support the local community.

Commissioner Ventura made a motion to support the Eat Local Campaign. Commissioner Chiu seconded. The motion was unanimously approved by the Commission.

Item 9 - NEW BUSINESS

Commissioner Ventura requested to place on the future agenda a discussion of the Shop Local Campaign as well as a discussion on Small Business Week. **Commissioner Richardson** commented on the fact that it has been predicted that this will be a hot summer and said that outages are a high probability, and said it would be good for the Commission to address this and look into this matter. She asked if there was an official response from the energy companies to help businesses deal with outages should they occur. **Commissioner Chiu** said he believed that PG&E has some of this information on their website and said he believed they stand ready to address the issue.

Commissioner Alberts reported that the Ukrainians have finally responded and said that they have come up with a list of the types of businesses they are interested in attracting for their projects. She said she would prepare some information to be posted on the website and sent out tot the public via the Commission.

Item 10 - ADJOURNMENT

Commissioner Thigpen made a motion to adjourn. Commissioner Chiu seconded. The meeting was adjourned at 6:57 P.M.

SMALL BUSINESS COMMISSION

NOTICE OF SPECIAL MEETING AND AGENDA

SF
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#1
7/30/07

MONDAY, JULY 30, 2007
5: 30 P.M.
CITY HALL, ROOM 400

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1. **CALL TO ORDER AND ROLL CALL**

2. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

3. **THE DUTIES AND FUNCTIONS OF THE OFFICE OF SMALL BUSINESS AND ESTABLISHING A SMALL BUSINESS ASSISTANCE CENTER:** Presentation, discussion and possible action regarding the duties and functions of the Office of Small Business, and the establishment of a Small Business Assistance Center. (Discussion/Possible Action Item). Explanatory Documents: Draft Ordinance

4. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

5. **ADJOURNMENT:** (Action Item)

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
MICHAEL O'CONNOR, PRESIDENT
JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

Small Business Commission

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Monday, July 30, 2007 5:30 PM
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Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez
Members Absent: Commissioner Ventura (excused)

Call to order:
Item 1 - ROLL CALL
The Small Business Commission met on Monday, July 30, 2007 in special session. The meeting was called to order at 5:38PM.

Item 2- GENERAL PUBLIC COMMENT
Cliff Waldeck, owner of Waldeck Office Supplies asked the Commission to look into the proposed extension of the Office Depot Contract that is before the Budget and Finance Committee. He said that the Committee would be deciding to extend the contract but said that the Disadvantage Business Enterprise Program aspect of the contract is not clear. He expressed concern over this matter because he said it will be extended for another two years and said the DBE issue should be clear before the City decides to extend the contract. He suggested the Commission talk to HRC and OCA to get some answers. **Fred Bekele**, Managing Member of Convenient Parking LLC, asked for the Commission's help with an issue he is facing. He said he is under contract with the City to operate the garage at 1660 Mission Street and said that there is plan to move it to 1650 Mission Street, which is a completely different set up. He said this would result in the cancellation of his contract and he would loose a lot of money. He asked for the Commission to look into the matter and help in anyway that they are able.

Item 3 – THE DUTIES AND FUNCTIONS OF THE OFFICE OF SMALL BUSINESS AND ESTABLISHING A SMALL BUSINESS ASSISTANCE CENTER:
Mayor Gavin Newsom, came before the Commission in support of the ordinance under review by the Commission, stating that regrettably they had not been successful in advancing the Small Business Assistance Center in the budget process, adding that the Center did not pass, the reason for reviewing the ordinance. He went on to say that the Center is greatly needed and said that the idea for the Center is to have a one stop shop where businesses could come and get assistance from trained personnel ready to help them navigate through the maze. He asked for the Commission's support of the proposed ordinance and said that it would allow the Commission to offer more services to the small business community. He said the idea is to put the measure on the November ballot and let the voters decide the outcome. **Commissioner Richardson** thanked the Mayor for his presentation and said that

her concern is how to lure back black businesses to the Fillmore and Western Addition. She wondered if the Center would facilitate these efforts. **Mayor Newsom** agreed that these issues need to be addressed across the board and said that ideally the Commission could focus more on these policy issues once the new center is up and operating. **Commissioner Richardson** asked if available land from the Fell freeway could be used to lure people back to the area, since there is not a lot of space in the Fillmore as it is. Mayor Newsom said that those spaces are targeted mainly for mixed housing with some retail, but again said that this is a policy issue and said his hope is for the Commission to be more policy focused with implementation of the new center and therefore more able to address some of these concerns. **Commissioner Murad** thanked the Mayor for personnaly attending the meeting and for his efforts on this. He said it is greatly needed and emphasized the need for the center to be as much as possible a one stop shop and not fragmented as services are currently provided. **Mayor Newsom** said that while there is an upfront cost for the Center, he said it would be well worth it and likely generate revenue for the city in the long term. **Commissioner Thigpen** thanked Mayor Newsom for including the green business aspect to the ordinance. **Mayor Newsom** responded stating that he was actually upset that San Francisco ranked 8th green city in the world and said he would like to be first. He said this is an important issue and as such ought to be reflected in the ordinance as it is. He said he would also be introducing green building standards that will set pace to nation, and said that he would likely be back to further discuss the small business impacts of that proposal in the near future.
Commissioner Chiu thanked Mayor Newsom and said he absolutely supports the concept of the Center and allocating staff to the center. He expressed concern however with the part of the legislation that speaks to assistance and support from other departments, stating that the language is a bit vague and many folks in the community have commented that it seems to lack the teeth to require that other departments work more cooperatively with the Center to provide services to businesses. He asked Mayor Newsom if he could address this concern. **Mayor Newsom** responded stating that in fact his administration has interdepartmental working groups that focus on many of the areas detailed in the ordinance and include the Planning Department, Building, Department of Public Works, Fire and so forth. He said he was hopeful that the Commission would advance those standards and framework, adding that the idea of the Commission is to help frame that strategy. He said the Commission seems to get caught up in the day to day details, and said he was hopeful that with the implementation of the Center the Commission could shift its focus and begin to work on collaboration and coordination as other departments are currently doing successfully. **Commissioner Alberts** thanked Mayor Newsom for his attendance and asked if he had broader plans to include other city, state, or federal agencies that also help businesses. She also asked about the marketing plan for the Center. **Mayor Newsom** responded stating that this is very important and again said it is something the Commission should be focusing on instead of dealing with the everyday details that the Center will focus on should the measure pass. **Commissioner Richardson** asked Mayor Newsom if he had since found out if it is possible to undo the landmark designation of the Muni substation at Turk and Fillmore. **Mayor Newsom** responded stating that he did not want to see the building torn down and said that while he realized that the landmark status of the building makes it difficult to develop, but said that it is a spectacular and beautiful vestiage of the past and said that the landmark status preserves the façade and hopefully the integrity of the building as well. He excused himself and said Jennifer Matz would be able to answer any further questions. **Jennifer Matz** echoed Mayor Newsom's explanation of how they got to this point, stating that the portion of the Tax Collector's and the Mayor's budget that included funding for the Center had not been fully funded. She said that thereafter they continued to meet with small business representatives and together they decided to take it to the voters. She said they worked collaboratively on the ordinance to define the duties and functions of the Commission and its Office of Small Business and included language to create the Center therein. She said the ordinance also calls for assistance and support form other departments as well as reporting but Center staff. She admitted that while the ordinance does not go into specifics, she said that the departments have been contacted and told that they will be expected to participate and physically be present to assist. She said there is also a survey component, and most importantly it allocates staff. She said they decided on five staff members including a director, deputy director, and three case managers. She said the proposed funding would cover salary for six months, and a one tie equipment and build out, and marketing of the center. She said the proposed annual budget for continued operation of the Center is

$800-850 thousand. She said that another very important aspect of the center is to partner with the neighborhood economic development organizations to bring them to offer their services at the center, in addition to their services at their respective locations. Essentially she said the agencies would host business hours at the Center. **Commissioner Murad** thanked Jennifer for her help with this and asked if any of these folks would be able to assist with Planning, Building, or Fire issues, not only able to answer questions, but able to inform as well. **Jennifer Matz** responded stating that they realize that Planning and Building department issues are problematic for businesses. She said while this is the intention, she said that at this time she did not know the degree to which they would be able to assist with these issues. She did say however that the case managers would meet with and help as much as they could, including following up on issues until resolved, continuously working with the business throughout the process. **Commissioner Thigpen** asked why Section 2 was uncodified. She said that when the Commission was chartered in 2003, it called for the Commission to submit three recommendations to the Mayor for the director position and said that this seemed appropriate for the new positions. **Jenniefer Matz** responded stating that the language reflects what is allowed for ballot measures. **Commissioner Chiu** thanked Jennifer and said that there doesn't seem to be much in the ordinance to serve the diverse business community that is found in San Francisco. He asked if it would be possible to include language to required staff to be bilingual. He also asked about staffing and wondered what the relationship between the current and proposed staff would be, and asked for clarification. **Jennifer Matz** responded stating that in their research for the ordinance, the City Attorney working with them had suggested a department head level position, which they then conferred with the Department of Human Resources about, and eventually recommended to them, which they agreed to, due to the greatly expanded functions of the Commission and the Office of Small Business, the staff suggested in the ordinance. She said that the thought was that the current classification of an executive director was not an adequate one for the expanded functions, and that a higher level, consistent with other chartered commissions was more appropriate. She said that based upon that conversation with DHR, they recommended a department head 1 position and four civil service positions, including an 1824 (deputy director), and three 1823's (case managers). She said they are proposing civil service positions so that they will be objective criteria for qualified candidates to meet, as opposed to simply falling into, but rather have a process that is very transparent. She said that the idea is that the Commission would have a much more robust staff to operate the Office and the Center, but said that the lines of authority and placement are not something that she could speak to at this point. **Commissioner Chiu** suggested that there be some thought around that now because he said as new units of government are set, it often takes longer for these things to settle when situations are ambiguous, and said that it would be ideal to think about this now. **Jennifer Matz** agreed that this made sense and was a good suggestion. **Commissioner Alberts** agreed that the lines of authority need to be clear now because of the touchy nature of the new positions. Rick Karp, a member of the public and owner of Cole Hardware on 4th Street, stating that the process to open was a nightmare, and said he was delighted to hear of this and for the Mayor's support. He said SF LOMA, a fairly new organization of local merchants, and said that they recently commissioned a retail diversity study which speaks to the issue of driving out businesses, adding that developers are coming in and they want guaranteed rents, which is making it very difficult for small local businesses to remain here. He applauded any efforts to help businesses do business here. **Jim Maxwell** of the San Francisco Council of District Merchants said that while they have not taken an official stand on this, said he expected they would and he himself expressed his support of the ordinance. He agreed with the comments made by Commissioner Chiu about the collaboration between departments and said in particular the Planning department, stating that they should be a big part of the center since many issues lie with them. **Alyce Brown**, President of the Access Appeals Commission and retired small business owner said that she has more questions about staffing, including who will hire the new staff. She said she supports the concept, but said that she became increasingly confused as the presentation progressed. She said the proposed $950,000 seems like a lot of money and said they work with other organizations like the SBA to provide services for less. **Brandon Hernandez** of PG&E expressed his support for the ordinance and commended Mayor Newsom for his efforts, particularly as related to the green business aspect of the ordinance. **Cliff Waldeck** of the Small Business Network and the Chamber's Small Business Advisory Committee thanked the Mayor and his staff, stating that a staff of two has been doing an exemplary

job, but said they have an opportunity to expand the functions of the Office even more and suggested moving it forward. Unidentified woman was inaudible. **Rob Black** of the San Francisco Chamber of Commerce said he was excited about the opportunity to create a business assistance center. He said he believed the ordinance did not define everything on purpose, and said the idea is to be able to have some wiggle room and said that a lot of it will fall with the Mayor and the Commission. He said it is a great way to empower the Commission and expressed his support for the ordinance. **Barry Hermanson** past president of MUMC and former business owner said he supports the ordinance, but he had a few questions, including the assistance and support from other department, the annual survey, and the staffing. He asked what the job description of the director would be. He challenged the assumption that staffing cost would be only $350K the first year of operations, adding that the proposed cost is a total of $950 for 6 months only, and said he did not think this would go over well with the voters. **Louise Dawson**, lead restaurant consultant with the Small Business Development Center said that providing businesses with the necessary information is only one side of the coin. She asked if the case managers would be empowered by the Mayor's Office to be liason's to the various city agencies and track projects going forward. She asked who decided on the department head position, and recommended that the Commission be involved with creating the job descriptions for the new positions. **Lola Whittle**, new Director of the Bayview Business Resource Center said that in her opinion the center is greatly needed, however she expressed her concern that the current neighborhood economic development organizations (NEDO's) currently funded to provide technical assistance will no longer be funded, or loose some of their funding as a result. She said that while she recognizes the need to bring these services to City Hall, there is an equal need to continue to provide the services in the communities. She asked how the NEDO's might be affected. **Commissioner O'Connor** said that he believes that this will have a positive impact for the NEDO's, bringing more attention to them and the services that they offer both at City Hall and in their community. He said he thinks that the Center will help, not hinder the NEDO's. **Pat Christensen** of the Small Business Network and the Small Business Advocates said that they are concerned with the funding aspect of it, but said that she supports the creation of the Center. **David Sahagun** thanked the Commission and the Mayor for this, stating that other city's are already offering these services. He said the job of the Commission is as a policy body, and said that for the past few years both the director of the Commission and secretary have been filling this role that the new Center will be able to undertake. He expressed his support for the Center stating that it will help to preserve small businesses in San Francisco and the jobs they create, as well as increase tax revenue for the city. He again thanked the Commission for their efforts. **Commissioner O'Connor** asked director Briones Ubalde to look at a handful of other cities that have small business assistance centers to see how they are run and operated so as to get a sense of what they are doing in order to be better prepared to establish the San Francisco Small Business Assistance Center. **Leslie Hennesey**, owner and operator of a fine wine shop since 1978. He said that with Dave Sahagun he helped start the Merchants of Upper Market and Castro in 1979, and most recently established the South Beach Mission Bay Merchant Association and said that the most important thing about a small business assistance center is the numbers, stating that small business is the largest number grossing dollar entity in the city, adding that small businesses produce the majority of the sales tax and permit fees due to constant remodeling and expansion needs. He said this is one of the most important selling points for the Center. He urged the Commission to follow up on the creation of the center as quickly and expeditiously as possible. **Jerry Hotarek** representing the Plumbing Heating and Cooling Contractors, said that they support the efforts of the Commission and the Mayor's Office to finally create a much needed Small Business Assistance Center. He said that it should be kept simply, cheap and effective. He thanked the Commission for their efforts. **Mike Doughtery**, small business owner and president of the Small Business Network, which represents about 19,000 small businesses, expressed their support the Small Business Assistance Center. He said they share Commissioner Chiu's comments about accountability, stating that the Center could be put in place, but if the numbers are not being tracked, in terms of how many businesses were served, how many contracts were awarded etc, it won't matter. He urged the Commission to continue to put pressure on the Board of Supervisors and the Mayor's Office and constantly ask for the numbers. **Scott Hauge** a small business owner and founder of the Small Business Advocates addressed Commissioner Alberts comments, stating that he spoke to Marty Keller, the Governor's Advocate for Small Businesses who asked him how the Center

was coming along, and said that he wants to be involved and work with the Center once created. In 1985 he said he worked with others to put a measure on the ballot to create a small business commission, stating that the dream they had then was to develop a one stop shop that would have coordinated services. He said it took 18 years to create the Small Business Commission and said the creation of the Business Assistance Center is the beginning of that dream that they have been trying to accomplish. He stated some of the numbers as reasons for the Center and said that it is important for the Commission to know who they represent. In 2004 he said there were 111,674 small businesses, which represents 99% of all private businesses in the city, and a payroll of 14.4 billion dollars. He said small businesses create most of the jobs in San Francisco, a total of 55% of them. Having said that he said it is critical that the Commission pass this legislation and support the proposal. **Commissioner Murad** said that it was the first time that everyone seems to be in support of this measure. However he had some questions in terms of who would be responsible for calling the shots at the end of the day. He recognized that some things may not be clear at this point in time, but suggested for whomever is in charge, that they see to it that Planning, DBI and Fire all be responsible for providing assistance to the center and that they be accountable.

Commissioner Chiu moved to support the concept of creating a Small Business Assistance Center within the Small Business Commission's Office of Small Business, and to support legislation to form a Small Business Assistance Center assuming the following four (4) amendments are incorporated in the legislation:

(1) The legislative language should refer to the importance of ensuring that the Center serves the full diversity of San Francisco's small business community;

(2) The legislative language should clarify the staffing relationships between the current and proposed staff of the Small Business Commission;

(3) The legislative language should require an initial report to the Mayor and the Board of Supervisors that analyzes the existing laws, roles and responsibilities of all city departments that impact small businesses and makes recommendations regarding the streamlining and consolidation of such departmental functions under the Office of Small Business;

(4) The legislative language should clarify that the duties of case managers are to act as liaisons between city departments and small businesses dealing with those departments, and that the regular reports on March 1 and September 1 are to include statistics related to such case management.

Commissioner Gus seconded the motion with amendments. The motion was unanimously approved by the Commission.

Item 4 - NEW BUSINESS

None

Item 5 - ADJOURNMENT

Commissioner Murad made a motion to adjourn. Commissioner Alberts seconded. The meeting was adjourned at 7:22 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND AGENDA

MONDAY, AUGUST 13, 2007
5: 30 P.M.
CITY HALL, ROOM 400

SF
SSC
#1
8/13/07

1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE JULY 9, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft July 9, 2007 minutes

3. **APPROVAL OF THE JULY 30, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft July 30, 2007 meeting minutes

4. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

5. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

6. **SMALL BUSINESS AWARD PRESENTATION:** Presentation of award to Irving Street Cafe, presented by Commissioner Florence Alberts; and Manga Rosa, presented by Commissioner Richard Ventura (Discussion Item)

7. **HEALTHY SAN FRANCISCO PRESENTATION UPDATE:** Presentation and update on Healthy San Francisco. Possible action for the Commission to make recommendations or comment on Healthy San Francisco. Presentation by Tangerine Brigham, Deputy Director of Health (Discussion/Possible Action Item)

8. **PAID SICK LEAVE ORDINANCE PRESENTATION UPDATE:** Presentation and update on the Office of Labor Standards Enforcement's Paid Sick Leave Ordinance (PSL). Possible action by the Commission to make recommendations or comment on the Paid Sick Leave Ordinance. Presentation by Greg Asay, Senior Analyst, Office of Labor Standards Enforcement (Discussion/Possible Action Item). Explanatory Documents: PSL Rules and FAQ's

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MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
MICHAEL O'CONNOR, PRESIDENT
JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

9. **SPARE THE AIR EMPLOYER PROGRAM PRESENTATION:** Presentation, discussion and possible action on the Air District's Spare the Air Employer Program. Presentation by Jack M. Colbourn, Director, Outreach and Incentives Division, and Karen Messina Schkolnick, Air Quality Program Manager, Bay Area Quality Management District (Discussion/Possible Action Item) Explanatory Documents: "Air Quality & Small Businesses" power point presentation

10. **SMALL BUSINESS WEEK 2007 FINAL REPORT:** Presentation, discussion and final report on Small Business Week 2007. Presentation by Louise Dawson, Lead Restaurant Consultant, Small Business Development Center (Discussion Item). Explanatory Documents: SBW 2007 Final Report

11. **SMALL BUSINESS FAIRNESS IN CONTRACTING ACT (HR 1873):** Presentation, discussion and possible action to alert the city to the diversion of Federal Small Business dollars to large and international firms in relation to U.S. Congress Bill 1873 to reauthorize the programs and activities of the Small Business Administration relating to procurement, and for other purposes. Presentation by Adam Melenkivitz, National Director, and Lloyd Chapman, President of the American Small Business League (Discussion/Possible Action Item)

12. **PRESENTATION OF PROPOSED SMALL BUSINESS CONTRACTING STRATEGY AND RELATED PROGRAMS:** Presentation, discussion and possible action on a proposed small business contracting strategy and related small business programs. Presentation by Director Agnes Briones Ubalde (Discussion/Possible Action Item)

13. **FLEET WEEK RESOLUTION PRESENTATION:** Presentation, discussion and possible action to approve a draft resolution in support of Fleet Week 2007. Presentation by Director Agnes Briones Ubalde (Action Item). Explanatory Documents: Draft Resolution

14. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

15. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

16. **ADJOURNMENT:** (Action Item)

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

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Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

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Small Business Commission

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CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, August 13, 2007 5:30 PM
Small Business Commissioners:
Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez
Members Absent: none

Call to order:
Item 1 - ROLL CALL
The Small Business Commission met on Monday, August 13, 2007 in regular session. The meeting was called to order at 5:33PM.

Item 2 – APPROVAL OF THE JULY 9, 2007 MEETING MINUTES
Commissioner Ventura made a motion to approve the July 9, 2007 minutes as submitted. Commissioner Thigpen seconded. The Commissioners unanimously approved the July 9, 2007 minutes as submitted.

Item 3- APPROVAL OF THE JULY 30, 2007 MEETING MINUTES
This item was tabled.

Item 4 - GENERAL PUBLIC COMMENT
Stephen Cornell, a member of the public and small business owner said that he recently saw an article about the Enterprise Zones and said he was surprised he had never heard of these. He asked how the zones are determined and said the Commission should have been involved in the process to the extent that it could have influenced the designation. **Commissioner Chui** said he too had questions about the zones and said it would be discussed at the next meeting.

Item 5 – COMMISSIONER AND STAFF REPORTS
Director Briones Ubalde announced BMAGIC's back to school back pack giveaway on August 25th. She said there are sponsorship opportunities and asked Commissioners to look over the informational packets that were presented to them. She also encouraged them to help spread the word about the program, and said interested folks in the audience or watching on SFGTV should contact BMAGIC directly at 558-2475. She announced the Community Challenge Grant Program and said the opening of the 2007 grant cycle was underway. She said the program provides matching grants to residents, businesses, non profit, and other community groups that wish to make physical improvements to their neighborhoods. For more information she said folks should call Lanita Henriquez at 554-4830.

Item 6 – SMALL BUSINESS AWARD PRESENTATION

Commissioner Alberts presented Irving Street Café, a local small business with a certificate of honor, stating that the presence, personal service, and reliability of their excellent cafe contributes to what is best of the Irving Street neighborhood, and she acknowledged the dedication to their community. Members of the Irving Street Café family thanked the Commission for the recognition and were honored. **Commissioner Ventura** presented Manga Rosa with a certificate of honor, commending proprietors Gina and Marcelo Betti for the third anniversary of Manga Rosa. **Gina and Marcelo Betti** thanked the Commission for their recognition and invited them to attend a reception in honor of their three years in business.

Item 7- HEALTHY SAN FRANCISCO PRESENTATION UPDATE
Tangerine Brigham, Deputy Director of Health for the Department of Public Health presented Healthy San Francisco (HSF), San Francisco's health access program, stating that HSF participants are not members of the San Francisco Health Plan (SFHP), which is an insurance program, and clarified that Healthy San Francisco is not insurance. She said the criteria for HSF eligibility is based on insurance status, residency, income and age, stating that the person must be an uninsured 18-64 year old San Francisco resident living at or below 500% of the Federal Poverty Level before no longer eligible for subsidization. She said the person must also apply for, and be found ineligible for coverage in other publicly-funded health insurance. She went on to talk about HSF services stating that they focus on preventive and primary care, stating that participants pay a quarterly fee for enrollment in the program, as well as a point of service fee when accessing services. She said fees are accessed on a sliding scale. The HSF Provider Network includes the Department of Public Health, which includes 14 primary care clinics, SF General, and Community Behavior Health Services; and San Francisco Community Clinics Consortium members, including eight primary care clinics. She said they are still in discussions with potential health plans regarding participation. She explained that HSF is only one way that employers can comply with the Employer Spending Requirement or ESR, and said that employers do not enroll employees into HSF, but they are required to pay into the system. She said an employer could end up contributing a portion of the $225 per person required to produce the program. Due to the volume of people that are uninsured, she said the program phase in is estimated to take 18-24 months. San Francisco received 73 million dollars in federal funds for three years to support HSF. She said the city would get an additional 23 million for 2007-2008 to support HSF. **Commissioner O'Connor** asked about the federal funding and wondered why employers would have to pay into the program if the city has already received funding for the first three years. **Tangerine Brigham** responded stating the city currently spends 115-120 million dollars per year on the uninsured. Mental health and substance abuse programs account for an additional 100 million dollars. She said the money received from the federal government is clearly not enough and is not guaranteed. Additionally she said San Francisco must compete with other jurisdictions for these funds. Commissioner Richardson asked who has access to the data that is collected for the purpose of HSF. **Ms. Brigham** said the federal government has access to the data, but added that they are also able to provide broad level data to the Mayor and the Board of Supervisors when necessary. **Ms. Brigham** went on to talk about the marketing efforts related to HSF, and said they are working closely with the Office of Labor Standards and will time the release of materials so that they coincide with other materials being sent out. Furthermore, she said they will develop an HSF employer inquiry call center, hire a consultant to do outreach and presentations to employers and brokers, and host ongoing events for employers, HR staff, and brokers. She said HSF debuted in July 2007, and said enrollment was over 900 by the week of August 6th. She said that every month participating clinics will report on enrolment numbers. **Commissioner O'Connor** asked about the role hospitals play in HSF. **Tangerine Brigham** responded stating that members of HSF will receive a member booklet with a list of what they call "medical home". Members will choose their medical, essentially a clinic where they will go to get their primary care, adding they do not consider hospitals "medical homes". **Commissioner O'Connor** expressed his frustration with his participation in the Universal Health Care Council, stating that it seemed very rushed. He commented on the pending lawsuit filed against the city and wondered how it will effect implementation of the ESR. **Tangerine Brigham** said if the judge approves the lawsuit, the Employer Spending Requirement would not be implemented in January 2008 as planned. She clarified that ESR is separate from HSF and said that HSF is only one plan or program to meet the Employer Spending

Requirement. **Stephen Cornell**, a member of the public and San Francisco small business owner expressed his concern over San Francisco employers subsidizing non San Francisco residents, and said that it places San Francisco businesses at an unfair competitive disadvantage. He hoped that that the city would consider this when purchasing commodities and make it a point to purchase from local businesses. **Tangerine Brigham** responded stating that a non resident employee would get the value of the employer contribution through a medical reimbursement account. She said the ordinance is for workers irrespective of whether they live in San Francisco. Commissioner O'Connor asked what happens to the money employers pay into the pool for non San Francisco residents who don't use the contributions their employer makes, or has a balance in their account and leaves their job to go back to grad school for example. **Ms. Brigham** said if there the employee did not use their contribution within a year, they would loose it. **Commissioner O'Connor** asked where that money would go exactly, stating that potentially someone could have a substantial amount of money in the medical reimbursement account that their employer contributed, and wondered what happens to the money when it is not used. **Mr. Brigham** said she would need to get back to him on that, stating it is a good question. However she said they are working under certain guidelines and are trying to determine the set period of time that an account could be good for. She said some people may have positive balances and others may not, and said that there is a cost associated with maintaining these accounts, so there are still things that are being worked out. **Sylvia Johnson** a member of the public greeted the Commissioners and acknowledged it was a beautiful day outside. She said they should repair the light bulb going for proceedings because what they are put in this business for is for something that is not even compliant which is already in history could make better policies in small businesses. **Commissioner O'Connor** thanked Ms. Brigham and said he looked forward to continuing discussing this. He realized that it does not gel well with many folks but said he hopes his employees get good health care from it and he looked forward to its implementation.

Item 8- PAID SICK LEAVE ORDINANCE PRESENTATION UPDATE

Greg Asay provided an overview of the Paid Sick Leave Ordinance, stating that it is a result of Proposition F on the November 2006 ballot. He said it became effective February 5, 2007, and requires all employers to provide paid sick leave to each employee who works in San Francisco. Employees employed as of the effective date of the ordinance begin to accrue time on the effective date, thereafter employees must wait 90 days. He said that the most confusing aspect of the ordinance is related to the cap, and said that for businesses with fewer than 10 employees the cap is 40 hours, for all others it's 72 hours. He said paid sick leave is to be used when employee is ill or injured or to care for family or designated person who is ill or injured. Employers are required to post a notice of employee rights where they can read it, and keep records of hours worked and paid leave taken by employees for a period of four years and allow the Office of Labor Standards Enforcement (OLSE) access to such records. In terms of outreach, he said they did a mailing to registered businesses, they created a hotline and website, they presented to various merchant association and other business groups, and had a public rulemaking process. He said that San Francisco is the first in the nation to implement paid sick leave, and said that the next steps include refining guidelines, letting an RFP for media services and employer outreach, and other for employee outreach. He said the first RFP would be issued within one week. **Commissioner Chiu** thanked Mr. Asay and OLSE for preparing and posting the FAQ's and for providing an update. He asked if there was a sense of the volume of questions that have been received both around the time of implementation and now. **Greg Asay** responded stating that they began getting a lot of questions in January although he did not have specific numbers. However he said their website got tens of thousands of hits, which he said is unusual. He said that the initial calls they received were mainly from employers, and said that more recently the calls they are receiving are from employees who have seen the notice and want to know their rights. He said that the questions are still pretty constant, stating again that this is likely due to the fact that it is a new concept all together, so folks who have never had sick days and those who have not offered it, as well as folks from other jurisdictions asking about the new law. **Commissioner Chiu** commented on the rule making process which produced 15 pages of rules, and wondered if there were any unresolved issues, or do the rules clarify what the law is about. **Greg Asay** responded by first stating that 99% of the questions they receive are addressed in the document, stating that most of the issues are addressed,

however he said they still get new questions, which are usually industry specific questions. **Commissioner Murad** thanked Mr. Asay for his update, and asked for clarification on accrual and caps, specifically the 9 day cap per year. He asked if hours are transferred from one job to another, so that if an employee has accrued a number of sick days, and they leave one job for another still in San Francisco, do those days go with them to the new job. **Greg Asay** responded stating that this would be determined on a case by case basis, but said according to the law the answer would be no. He said the law requires employees to use sick time for being sick or to care for someone who is sick, and thus they would not be able to cash out their remaining sick time if they were leaving that job. **Commissioner Thigpen** asked what happens if someone abuses the law. Greg Asay responded stating that again, it would be handled on a case by case basis and would depend on the employer's policy, but he said there would be some burden on the employer to prove it and the employee to show otherwise. **Commissioner Ventura** stated that there have been several rounds of FAQ's and wondered if there is any info to show that folks have visited OLSE's website to revisit the FAQ's. Commissioner Richardson asked if other cities or states have expressed interests in incorporating something similar to the PSL. She asked if there was any relief to employers for the added cost of tracking employee's sick leave hours. **Greg Asay** responded stating that OLSE had received numerous calls from other jurisdictions, some of which are in the process of implementing their version of the law. With respect to the question of relief for employers, he said there is no relief, but said that folks have asked for referrals to companies that have tracking systems, and said that this may be something the city could provide as a service given the new burden. **Commissioner Chiu** suggested that the Commission look at providing a list of companies providing tracking systems to make available to the public as a resource for them.

Item 9 - SPARE THE AIR EMPLOYER PROGRAM PRESENTATION

Jack M. Colbourn, Director of Outreach and Incentives Division of the Bay Area Air Quality Management District thanked the Commission for having them and for allowing him to briefly talk about the Spare the Air Employer Program. The Air Districts mandates is to protect public health and the environment by attaining and maintaining federal and state ambient air quality standards, and reducing exposure to toxic air pollutants among others. It includes regulatory programs, grants and incentives, and voluntary curtailment. Mr. Colbourn said Spare the Air (STA) advisories are issued when levels of ozone/particulate matter are forecast to exceed federal health-based standards, and said during these times the public is encouraged to make clean air choices such as drive less, don't burn wood, and save energy. He encouraged the Commission to encourage small businesses to join the Employer Network, and said employers could do simple things such as designate a coordinator to receive and notify employees whenever STA advisories are issued, encourage employees to make clean air choices, distribute free educational materials, and establish clean air programs such as ride share and transit subsidies. They also offer resources for businesses including grants to replace old diesel engines or purchase clean air vehicles. For more information he said people should call (415) 749-4900. **Commissioner Chiu made a motion to support the Air Districts programs and to encourage small businesses to participate. Commissioner Murad seconded the motion. The Commission unanimously approved the motion.**

Item 10 – SMALL BUSINESS WEEK 2007 FINAL REPORT

Louise Dawson, lead Restaurant Consultant for the Small Business Development Center and Project Manager for Small Business Week 2007 said that she was honored to have worked with both Commissioner Ventura, Vice President Thigpen and director Briones Ubalde on SBW 2007 and said that it could not have been possible with out their commitment. She said this year Mayor Newsom hosted Small Business Week in San Francisco which took place May 5-11th, and said that the goal of Small Business Week was to recognize and celebrate small business, which in San Francisco constitutes 95% of the companies doing business in the city. She said that the other organizations and agencies that partnered with the Mayor's Office to host Small Business Week and whose representatives comprised the committee, aside from the Commission, included the Small Business Administration, the Small Business Development Center, City College, the San Francisco Chamber of Commerce, and presenting sponsor Wells Fargo. Small Business Week kicked off on Saturday, May 5th in partnership with the San

Francisco Council of District Merchants hosting sidewalk sales in their merchant corridors. She said the function of the sidewalk sales was twofold, to highlight the corridor, and attract business to the corridor. She said the list of participating associations was in the report and said the overall effort was relatively successful, with some associations putting on extremely well organized events, including the Merchants of Upper Market and Castro (MUMC) whose members participated in large numbers. She said the committee would like to publicly recognize MUMC for their efforts, and said the committee would be discussing how to include the Council in a more comprehensive way. She went on to highlight the other events during the week including the formal opening ceremony at City Hall, hosted by the Mayor on Monday, May 7, 2007, adding that there were over 900 attendees. She said the event included the presentation of the National SBA awards, and said that this year all awardees were from San Francisco, as well as a networking event which featured over 20 restaurants, caterers and lounges who donated their time, talents and tasty treats, as well as a number of private and public sponsoring agencies who also offered up their time to provide crucial information for the public in attendance. From May 8-11, she reported that a number of other networking events, seminars and workshops were held and sponsored by participating organizations and sponsors, including the Chamber of Commerce, the SBA, Cisco, Wells Fargo, Microsoft, and others. She thanked everyone who helped make all the weeks events possible especially the fiscal sponsors who made it all possible, including Wells Fargo, AT&T, Microsoft, Cisco, Covad, and PG&E, as well the media sponsors Comcast and SF Chronicle who air time and supplements drove attendance to Small Business Week. She said she looked forward to planning next year's event, and directed folks to the report for more details on the event as well as recommendation for Small Business Week 2008.

Item 11 – SMALL BUSINESS FAIRNESS IN CONTRACTING ACT (HR 1873)

Adam Melenkivitz, National Director American Small Business League based in Petaluma and an advocate for small businesses specifically related to federal procurement in relation to the Small Business Act of 1953, which mandates that 23% of federal contracting is spent with an American owned small business. He said the reason for his being before the Commission today is that over the past 12 years 15 federal investigations have found fraud, abuse and loopholes in the contracting practices. He said that depending on the report, some have found that only 12% of the 23% contracting is being met, adding that the amount of legitimate small business money being spent on large firms and going overseas is 60-100 billion dollars per year. He presented the Commission with a packet that outlines the 15 federal investigations, and said that in report 515 the Inspector General said this is the number one problem facing the SBA and the federal government. He said that in May the House passed 1873, the Small Business Fairness in Contracting Act, which he said is a very powerful bill aimed at addressing the bundling issue as well as increasing the 23% to 30% contracting with small businesses, but he said it actually created a loophole. He said the bill allowed firms with small business contracts regardless of size to hold these contracts for an additional five years, costing the U.S. an additional 500 billion dollars per year in small business contracts. As a result he said his organization went to Washington DC and met with 95 senators and said that everyone on the House Small Business Committee agreed with this was a huge loophole. He said Senator Boxer will introduce a piece of legislation that will address this issue in a couple of ways, first, it will require annual small business recertification, and if you are a federal contractor and you do business, or a small business, he said you are required to get on the Central Contract Registrar (CCR). He said this would not be a convoluted process, and would simply require checking off a few boxes, assuring the Commission it would not be like getting certified for the first time. He said he could not go into the specifics of the legislation since it is still being worked on by the attorneys, but said he would like to come back and present the final piece when ready, and hoped that the Commission would support it. Sylvia Johnson, a member of the public said that they take the categories and raise prices and asked if pharmaceuticals were mentioned and wondered what force in this was thinking that. She said you know; kind of arrange that in the business.

Commissioner Chiu made a motion to oppose the diversion of small business dollars to large and foreign companies, and support closing the loophole, and to strongly urge the California delegation to support that as well. Commissioner Murad seconded. The Commission unanimously approved the motion as stated.

Item 12 – PRESENTATION OF PROPOSED SMALL BUSINESS CONTRACTING STRATEGY AND RELATED PROGRAMS

Director Briones Ubalde provided the Commission with an update on the Mayor's Executive Directive to increase city purchasing from small businesses and presented them with a proposal of small business contracting strategies and programs for how to proceed. She said that the Mayor's 2005 directive was aimed to encourage city department to increase its contracting efforts with small, local businesses. She said the Commission was able to achieve some outcomes including hosting a pilot match making seminar during Small Business Week 2005 to connect city department to local small businesses; partnering with Alliance for Community Development to host the Capital Connections conference targeting African American entrepreneurs in November 2006, which linked small local business to access to capital; and secured liaisons with a number of city departments including the Airport, DPH, Police, Port, PUC, Public Works, and Rec & Park. She reported that from her meetings with department liaisons, there appears to be some issues and constraints, mainly around outreach to the small and micro business community. She presented some recommendations, which include public service announcements, a one month pilot "Shop Small and Local First Challenge", and host a city hall "Small Local Business Match-Making Fair". She asked for the Commissions support and said she would like to begin executing some of the recommendations in the next month or two. **Commissioner Chiu** expressed some concerns with the memo, stating that there are some things that have not been included in the memo including the number of small businesses that have received contracts with the city, adding that the Commission has been looking to obtain this information including the percentage of city contracts that go to local small businesses. He said they have heard a wide range of answers, ranging from 10% to 30% and said it is important to know the actual number in order to determine goals. He suggested that the Commission figure out a way to add those numbers into the draft proposal before it is complete. **Director Briones Ubalde** responded stating that since the last meeting of the Commission the Mayor had convened an SF Stat meeting where it was revealed that the number was skewed, and said that since that meeting the Mayor's Office has been working with the Controller's Office to get more accurate data on what that number is. She said it should not be that difficult to go back to the data set to get the number since what they are looking for has become clear. **Commissioner Chiu** asked if the information they are seeking could be got by the September meeting. **Director Briones Ubalde** said that staff would be meeting with the Controller's staff in the next couple of weeks and said that it was realistic to have the information by the next meeting date. **Commissioner Chiu** addressed another issue he felt was omitted from the proposal and said that it has to do with a structural disadvantage that local small businesses have when competing with non San Francisco businesses when it comes to low cost bids, stating that given the recent requirements placed on San Francisco businesses including minimum wage, paid sick leave, the health mandate among others, San Francisco businesses are finding themselves in a real disadvantage when competing for contracts, adding that a local business would factor these cost into their bid. He said as a result non local businesses are able to come in at lower costs. He suggested that the Commission look into this and see if this could be the result of why so few local businesses get contracts, and figure out a way to level the playing field if that is the case. **Director Briones Ubalde** informed the Commission that there is currently a 10% bid preference that is given to local business enterprises, but agreed that the new and added mandates warrant a second look and possible amendment to increase the current local preference. She asked Commissioner Chiu if he would be interested in working with her on this going forward. Regarding the suggested panel or group to explore some of the indirect issues that impact the effective implementation of the directive addressed in the proposal Commissioner Chiu suggested that it consist of an informal group so as to not burden staff with added noticing requirements. Director Briones Ubalde clarified that the panel or group would not constitute a quorum of the Commission and would include likely one or two commissioner and other city or community representatives, and thus would be informally. **Commissioner Richardson** asked if there is a number of the cost of doing business in San Francisco, including basic information regarding permits and licensing, irrespective of the type of business. **Director Briones Ubalde** said that she would need to follow up with other city staff.

Commissioner Chiu made a motion to support staff recommendations outlined in the proposal

around education and outreach strategies, as well as ask staff to give the Commission recommendation at the next meeting on the from of panel or committee to explore these important longer term policy implications, and to direct staff to bring back information at the next meeting on the percentage of city contracts that go to local small businesses. Commissioner Richardson seconded. The Commission unanimously approved motion as stated.

Item 13 – FLEET WEEK RESOLUTION PRESENTATION

Director Briones Ubalde reported that she had worked with members of the Port and Fisherman's Wharf Merchant Association to draft a resolution in support of Fleet Week, stating that the event is a long standing tradition in San Francisco, and one that brings financial benefits to folks in the business community, for these reasons she thought it appropriate for the Commission to state it's support. **Commissioner Thigpen made a motion to support the resolution in support of Fleet Week. Commissioner Alberts seconded. The motion was approved 5 to 1 by the Commission.**

Item 14 - NEW BUSINESS

Commissioner O'Conner said that he would like to invite back someone from the Planning Department to speak to the City's policies with respect to the commercial spaces that developers are developing in new buildings in small business zones. He said he would like to see the number of small business spaces increase in new construction, and said that it is an ongoing issue that he would like city staff to address on a continuous basis. **Commissioner Chiu** requested to invite the Treasure and Tax Collector's Office to present on some recent data they have been able to compile around the payroll tax and gross receipts tax, and said that it is in the context of the Commission looking at payroll tax reform so that the city could then consider a more appropriate tax structure that would help to incent job growth and still collect taxes at same time. Sylvia Johnson, a member of the public said that she had given them the ideas of for the contracts that there are a number of things needed to report to make it kind of ease off of this high disadvantage.

Item 15 - ADJOURNMENT

Commissioner Richardson made a motion to adjourn. Commissioner Chiu seconded. The meeting was adjourned at 8:24 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING AND AGENDA

SF
552
#1
9/10/07

MONDAY, SEPTEMBER 10, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE JULY 30, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft July 30, 2007 minutes

3. **APPROVAL OF THE AUGUST 13, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft August 13, 2007 minutes

4. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

5. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

6. **SMALL BUSINESS AWARD PRESENTATION:** Presentation of award to Little Paris Coffee Shop, presented by Commissioner David Chiu (Discussion Item)

7. **PRESENTATION ON THE NATIONAL ASSOCIATION FOR TEACHING ENTREPRENEURSHIP (NFTE):** Presentation, discussion and possible action on the National Association for Teaching Entrepreneurship (NFTE). Presentation by Gerald Richards, NFTE Bay Area, Executive Director (Discussion/Possible Action Item). Explanatory Documents: Gerald Richards Bio, NFTE Bay Area Fact Sheet, and NFTE National Organization info sheet

8. **PORT OF SAN FRANCISCO TENANT LEASING PRACTICES PRESENTATION:** Presentation, discussion and possible action on SF Port's tenant leasing practices. Presentation by Susan Reynolds, Leasing Manager with the Port (Discussion/Possible Action Item)

9. **PRESENTATION AND UPDATE ON THE SAN FRANCISCO ENTERPRISE ZONE (EZ):** Presentation and update on the San Francisco Enterprise Zone. Presentation by Jennifer Entine Matz, Deputy Director of the Mayor's Office of Economic and Workforce Development (Discussion/Possible Action Item). Explanatory Documents: EZ Fact Sheet

09-10-07A08:03 RCVD

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

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JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

10. **HEALTH CARE SECURITY ORDINANCE UPDATE:** Presentation and update on the Health Care Security Ordinance. Possible action for the Commission to make recommendations or comment on the HCSO. Presentation by Joannie Chang, Contract Compliance Officer with the Office of Labor Standards Enforcement (Discussion/Possible Action Item). Explanatory Documents: HCSO Presentation

11. **SHOP LOCAL FIRST PROGRAM PRESENTATION & DISCUSSION:** Presentation, discussion and possible action on the Shop Local First program and campaign. Presentation by Director Briones Ubalde and Vice President Thigpen (Discussion/Possible Action Item)

12. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

13. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

14. **ADJOURNMENT:** (Action Item)

Public Comment will be taken before or during the Small Business Commission's consideration of each agenda item.

Copies of Explanatory Documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall Room 448. Please call Martha Yanez (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

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GUS MURAD
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RICHARD VENTURA

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interprets and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at http://www.sfgov.org/ethics/.

Chemical Sensitivity

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Small Business Commission

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September 10, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, September 10, 2007 5:30 PM
Small Business Commissioners:
Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez
Members Absent: none

Call to order:
Item 1 - ROLL CALL
The Small Business Commission met on Monday, August 13, 2007 in regular session. The meeting was called to order at 5:33PM.

Item 2 – APPROVAL OF THE JULY 30, 2007 MEETING MINUTES
Commissioner Thigpen made a motion to approve the July 30, 2007 minutes as submitted. Commissioner Ventura seconded. The Commissioners unanimously approved the July 30, 2007 minutes as submitted.

Item 3- APPROVAL OF THE AUGUST 13, 2007 MEETING MINUTES
Commissioner Thigpen made a motion to approve the August 13, 2007 minutes as submitted. Commissioner Richardson seconded. The Commissioners unanimously approved the August 13, 2007 minutes as submitted.

Item 4 - GENERAL PUBLIC COMMENT
No public comment at this time.

Item 5 – COMMISSIONER AND STAFF REPORTS
Commissioner Ventura provided an update on SF Energy Watch and provided Commissioners with a report. He said the program is proceeding, but said that they continue to need help with outreach, adding that they did reach out to the contact lists the Commission provided, but said it was not so effective. **Commissioner Chiu** reported he had discussions with the Treasure's Office and said they are prepared to present some findings around business taxes at the next meeting. **Commissioner Thigpen** reported that September 23-29 would be Eat Local Week in San Francisco. She encouraged everyone to participate in the program and referred folks to the website for more details at www.eatlocalsf.org. **Director Briones Ubalde** reported on a couple of upcoming events, including the Immigrant Rights Summit taking place at Bill Graham Civic Auditorium on Saturday, September 15, 2007. For more information she announced folks should call 554-6033. The second event is the Women's Leadership Exchange in Santa Clara on Thursday, September 27, 2007, which she said

targets women owned businesses. For more information and to register she referred folks to www.womensleadershipexchange.com or by phone at 888-937-5800.

Item 6 – SMALL BUSINESS AWARD PRESENTATION
Commissioner Chiu presented Little Paris Coffee Shop with a certificate of honor on behalf of Mayor Newsom and the Commission. He commended the Tran Family for their tireless work in running the Little Paris Coffee Shop for 23 years in the heart of Chinatown. **Kelly Tran**, thanked the Commission on behalf of the Tran family for their recognition.

Item 7- PRESENTATION ON THE NATIONAL ASSOCIATION FOR TEACHING ENTREPRENEURSHIP (NFTE)
Gerald Richards, Executive Director of the Bay Area NFTE thanked the Commission for allowing him to talk about NFTE, stating that the National Association for Teaching Entrepreneurship provides entrepreneurship education programs to your people from low-income communities. He said their goal is to empower young people, many of whom struggle in school, to change their lives through entrepreneurship education. Nation wide, NFE has reached over 150,000 young people and trained more than 4, 200 Certified Entrepreneurship teachers since 1987. NFTE currently has programs in 21 states and 13 countries. He said NFTE Bay Area began operations in 1994 through a generous start-up grant from The William H. Donner Foundation, and reported that since that time, they have taught over 7,000 students from Alameda, Lake, Sacramento, San Francisco, San Mateo, Santa Cruz and Santa Clara counties the basics of starting and opening a small business. He said there are currently 1,000 students in the program in the Bay Area, and said they track all of their outcomes to find out what the students are getting from the program, and said through this process they know that 33% are still running their business. He said that most of the students are in grades 9-11 and said their program is in Mission High, Ida B. Wells, Balboa High and Galileo among others. He said they provide grants for students, allowing them to participate in the program. **Commissioner Richardson** asked if the program includes lessons in the value of money. **Mr. Richards** responded stating they do. **Commissioner Thigpen** asked what NFTE expects from the Commission. **Mr. Richards** responded stating that they would love small business owners to volunteer to come in and talk to the students about their experiences owning small businesses in San Francisco. He said they are particularly interested in hearing from the mom and pop businesses, the corner stores and such. He said it makes it much more real for students to hear from the types of businesses that they frequent. He said if people are

Item 8- PORT OF SAN FRANCISCO TENANT LEASING PRACTICES PRESENTATION
Commissioner Chiu set the context of the presentation, stating that he requested the following presentation based on the fact that the Commission was mentioned in a Matier and Ross article in the Chronicle in relation to Java House, a business at the Port who faced a recent rent hike. He said while that specific issue seems to have been resolved, he received questions over the years from small business owners interested in leasing opportunities at the Port. He referenced the article dated August 27, 2007 for folks watching on television. With that he introduced **Susan Reynolds,** Director of Real Estate at the Port and said she had been working to clean up the leas practices since joining the Port a few months back and said he looked forward to the presentation. Susan Reynolds said that the Port is an interesting entity, stating that it is held in a trust from the State of California and said that it is self funded and one of a few city departments that is revenue generating, along with the Airport and others. She said they are self funded through their leasing and maritime activities. From the leasing side, she said they have 18 million square feet of leas able space, which she said is challenged real estate, adding they have about 1.3 billion in deferred maintenance versus about 58 million dollar annual revenue. She said they have a Commission that adopts a retail leasing policy that the restaurants fall under and said there is also standard parameters rents that are established every year through the Commission, adding that there are currently about 6 to 7 regulatory agencies that have a hand in Port affairs, including the BCDC, the Coastal Commission and State Lands, resulting in some things not having an economic focus. For example, she said one entity may want them to create park and open spaces, adding that while pretty, there is no revenue in that. She said they have to maintain

the asset of the Port, including shed space, office space and a variety of other different commercial spaces. Going back to the situation with the Java House she said they are a long time tenant of the Port and the Port wants them to continue being a tenant. However, she said they need to bring them up to market rate, stating that they have a fiduciary responsibility to equally apply their leasing policy, adding that some of their neighbors pay considerably more than Java House. She went on to talk specifically about the retail leasing policy which is mostly restaurants with a few retail operations, and said that the restaurants pay a base rent or a percentage rent, which she said is 7.5% of their gross monthly revenue, and is based on projections that the tenants give them or as a result of monthly reporting. She stated that the other comparable restaurants are Red's Java House and the High Dive; others are a bit more upscale including Boudin Bakery, the Waterfront and Butterfly. She said Java House is different because it is on Redevelopment Agency property but the building is the Ports, adding that it is a historic building that will always be there and will always look the same. She confirmed Starbucks will not move is to the space and they are not trying to get rid of Java's, and said the lease process has been lengthy in this case. **Commissioner Richardson** asked if the Port has anything to do with the Farmer's Market at the Port on weekends. **Susan Reynolds** responded stating that the Farmer's Market is operated by the Ferry Building Management team, who is under a master lease, which is held by Equity Properties, who then contracts with all the tenants in the Ferry Building, including all the small businesses within. **Commissioner Thigpen** asked if Equity Properties paid for the restoration of the Ferry Building. **Susan Reynolds** responded stating that it was a joint effort between the city and the developer at the time. She said there are development projects and said they are vetted through the committee of the Commission and involve planning process, adding that they primarily handle retail leasing. She stated she had copies of the retail leasing policy as well as a vacancy report if the Commission wished to look at. She reported the vacancy rate oddly enough is about 2%. **Commissioner David Chiu** spoke about an email he received from a founder of a small business that had last year been in negotiations with the Port which eventually stalled and ultimately did not get anywhere. He said the feedback that the business owner provided had to do with bad customer service and onerous requirements. He acknowledged that Ms. Reynolds is fairly new to her job and recognized that this was before her time and said that all indications suggest that she is trying to clean things up, but said he wanted to provide this feedback in order to provide a small business perspective of what has happened historically at the Port in these matters. **Susan Reynolds** responded acknowledging that there are some bad reputations of the Port but said that the Director, Monique Moyer who has been at her job for about three years has really tried to turn things around and admitted she could not take all the credit for trying to do things differently at the Port. She said Ms. Moyer has done an amazing job at running the Port like a business. She said the Port is unique in that it is a public entity that rents to private individuals. She recognized that they need to act like a business and improve customer service, but said they also have to be sensitive to the fact that they deal with a number of agencies such as State Land. She said they try to be upfront with people that have creative ideas, and tell them they will need to have patience, time and money to make it happen, stating the process is very different than renting space from an individual land owner on Chestnut Street for example, adding it is much more bureaucracy. **Director Briones Ubalde** thanked Susan for her presentation and information provided. She said Susan used to work for the Mayor's Office of Community Development Small Business Loan Program, adding that she has been a long time supporter of small business and she is confident she will bring her small business expertise and prove to be a great asset to the Port. **Commissioner Thigpen** said at least something good has come of the negative press, stating that folks have learned about lease opportunities at the Port. She said the Real Estate Division is another agency that has lease opportunities in case the public is interested and announced the current bid for the North Light Court at City Hall. **Stephen Cornell**, a member of the public said his pet peeve is that taxes are imposed on San Francisco businesses and not on others. For example he said the LA Dodgers come to play in San Francisco more than 7 days a calendar year, yet he aid he was sure they did not have a local business license.

Item 9 - PRESENTATION AND UPDATE ON THE SAN FRANCISCO ENTERPRISE ZONE (EZ)
The item was tabled for the next meeting.

Item 10 – HEALTH CARE SECURITY ORDINANCE UPDATE
Joannie Chang of the Office of Labor Standards Enforcement (OLSE) reported that the Health Care Security Ordinance or HCSO was passed by the Board of Supervisors on July 18, 2006 and amended in April 2007. It ensures that all individuals who live or work in San Francisco have access to affordable health care by mandating the Department of Public Health to create Healthy San Francisco, which the Commission heard about at the last meeting, and by requiring businesses to make reasonable health care expenditures on behalf of their employees. She said OLSE is responsible for ensuring that employers understand and fulfill the "Employer Spending Requirement" under the HCSO, which will take effect January 1, 2008 for employers with 50 or more employees, and April 1, 2008 for employees with 20 or more employees. She noted that non profit employers with fewer than 50 employees and small employers with fewer than 20 employees are exempt from this law. She said the Employers Spending Requirement requires covered employers under the HCSO to make expenditures for health care services to their covered employees or for the benefit of their covered employees. She said employees who have been employed for at least 90 calendar days, and perform at least 10 hours of work per week within San Francisco including those who work on a part-time or temporary basis are covered. The Health Care Expenditure (HCE) is an amount paid by a covered employer to its employees, or to a third party on behalf of its covered employees for the purpose of providing health care services for covered employees, or reimbursing the cost of such services for its covered employees. The HCE for each covered employee is calculated by multiplying the total number of hours paid to that employee by the applicable HCE rate, which is anywhere from $1.17 per hour to $1.85 per hour depending on number of employees and schedule. She said some additional responsibilities include recordkeeping and annual reporting among others. She reported that after the ordinance was passed, OLSE set up a web page with information on the employer spending requirement and the HCSO in general. She said they began to take calls from the public with questions on how this would affect them, and said they have done a number of presentations to various business groups including merchant associations and the Chamber, and said they are available for additional presentations if needed and requested. She reported that they are also working on FAQ's and a spread sheet to help employers keep track of time. She also said they recently finalized the regulations, but said they continue to participate in the process.
Commissioner O'Connor asked about the employer who is already providing health insurance and wondered if they would be required to provide more. **Joannie Chang** responded stating that the employer who is already providing health insurance would still be subject to this ordinance because she said the ordinance doesn't se any minimum requirements. **Commissioner Murad** asked what if an employer is able to negotiate a good rate and provide full coverage to their employees, would they still have to provide the difference. **Ms. Chang** confirmed that they would have to. **Commissioner Richardson** asked what if the employee is currently covered by their spouses insurance. **Ms. Chang** said in that case, there is a waiver that employee can fill out. She also said that there are a couple other exemptions including if a person is eligible for Medicare. **Commissioner O'Connor** commented that the details of this mandate were not properly vetted and resolved prior to its passage. He said he felt it went through the process way to quickly and was sold as full coverage when in fact it is not, stating that it does not cover hospital costs, adding that businesses are being required to pay for something that is not good health care. **Joannie Chang** said that it was important to note that SF HAP is only one way for folks to comply with the mandate. Commissioner Ventura asked what the real impact would be of covering the approximately 82,000 uninsured. **Ms. Chang** responded that she did not have the information requested at this time and would get it to staff to get to the Commission. **Stephen Cornell**, a member of the public commented on the unfairness of the mandate, stating that non San Francisco businesses that do business in the city would not be subject to the new mandate. **Ms. Chang** said that her office would investigate complaints from anyone, not only employees. **Commissioner Murad** asked if there was anyway to adjust or amend the ordinance at this point. **Ms. Chang** responded stating that amending the ordinance would require legislative amendment and Board approval. **Commissioner Chiu** suggested that the Commission work with the Office of Labor Standards to identify areas of the legislation to improve upon, adding that it would behoove the Commission to recommend amendments to the legislation to be considered by the Board of Supervisors in the near future.

Item 11 – SHOP LOCAL FIRST PROGRAM PRESENTATION & DISCUSSION
Director Briones Ubalde talked about the Commission's Shop Local First campaign, stating that for the past four years the program has consisted of a tradeshow at Union Square during the holiday shopping season, with some emphasis in the neighborhood commercial corridors, and a campaign to shop local. She said the Commission has worked with both profit and non profit organizations to execute the program, and said while these partnerships have been relatively successful there is room to improve. She said the Commission hopes to have a greater impact in the neighborhood commercial districts this next go around. **Commissioner Thigpen** explained some of the differences proposed for the program this year, stating that the Commission would like to release a Notice of Funds Available or RFP for potential non-profits to submit proposals for mini-grant/seed money to launch a Shop Local Campaign in neighborhoods focusing on the following sectors: Green Business Sector, Retail Sector and Professional Services Sector. She said the grant application and RFP are still in development and would likely be released sometime in October. **Director Briones Ubalde** said that while the specific details have not been firmed up yet, they expect and would encourage non profit applicants to partner with merchant associations for example, and submit proposals keeping in mind the cultural relevancy of the area or neighborhoods to be targeted. She said the NOFA or RFP would target existing non profits doing economic development work in neighborhoods. **Commissioner Chiu** expressed questions over the three sector areas identified and said he did not know how this would work for the green business sector or professional services sector for example, given that these sectors are clearly designated. He suggested for those two sectors, asking applicants to come up with some event or program, but not tie it to any specific neighborhoods. **Commissioner Thigpen** responded stating that the proposal should not have conveyed that the green sector or professional services sector should be neighborhood specific, and said that it would be up to the applicant to propose an event to promote green business and or professional services sector businesses city wide. **Director Briones Ubalde** said that the idea was to shift away from an event at Union Square and target the neighborhoods, but said she understood the relevancy of not having it neighborhood specific for these two sectors. **Commissioner Ventura** thanked both Commissioner Thigpen and Director Ubalde for their work on this and recommended that the program be tied to Small Business Week in which he felt would have a greater impact. **Commissioner Thigpen** responded stating that while they did initially consider Small Business Week, they opted to stick to the holiday shopping season as to have another time in the year to promote shopping local. **Don Shaffer**, a member of the public and Director of the Business Alliance for Local Living Economies said he thought it was a great idea to ditch the Union Square event even though it does benefit a number of artisans. He said he felt this new proposal would have greater impact. In regards to the retail business sector, he pointed to the recent Retail Diversity Study which he said the Commission ought to leverage and he encouraged the Commission to look into. He said BALLE is enthusiastic at throwing their hat in the ring for either or both the retail and green business sectors, and said he hoped to continue to work with the Commission and support the great work of the Commission.
Commissioner Chiu made a motion for the Commission to request staff to implement a program along the lines of the memo for the 2007 Shop Local First Campaign. Commissioner Alberts seconded. The Commission unanimously approved the motion as stated.

Item 12 - NEW BUSINESS
Commissioner Thigpen suggested a special hearing on the Health Care Security Ordinance and SF HAP for October. She said this would be a good time to talk about amendments or recommendations to forward to the Board of Supervisors, including possible credits for businesses providing healthy incentives such as gym memberships as such. **Director Briones Ubalde** requested to place on the agenda the EZ presentation that was tabled and some recent Workforce legislation that has been referred to the Commission for comment and recommendation. She said the workforce legislation would reorganize the City's Workforce under the Department of Business and Economic Development and said Rhonda Simmons, Director of Workforce Development for the City, would be available to speak to this item at the October meeting.

Item 13 - ADJOURNMENT

Commissioner Richardson made a motion to adjourn. Commissioner Chiu seconded. The meeting was adjourned at 7:30 P.M.

SMALL BUSINESS COMMISSION
NOTICE OF SPECIAL MEETING & AGENDA

TUESDAY, OCTOBER 09, 2007
5: 30 P.M.
CITY HALL, ROOM 416
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

SF
SSB
10/9/07
Special

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF THE SEPTEMBER 10, 2007 MEETING MINUTES:** (Action Item). Explanatory Documents: Draft September 10, 2007 minutes
3. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)
4. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)
5. **PRESENTATION ON MEANINGFUL PAYROLL TAX REFORM:** Presentation, discussion and possible action related to recent gross receipts data. Presentation by David Augustine of the Office of the Treasure and Tax Collector and Ted Egan of the Controller's Office of Economic Analysis (Discussion/Possible Action Item)
6. **EMPLOYEE COMMUTER BENEFITS PRESENTATION:** Presentation, discussion and possible action on proposed Ordinance to require San Francisco employers to offer commuter benefits to employees. Presentation by the Office of Supervisor Ross Mirkarimi (Discussion/Possible Action Item). Explanatory Documents: Legislative Digest
7. **CENTRALIZATION OF WORKFORCE DEVELOPMENT EFFORTS (File No. 071056):** Presentation, discussion and possible action on proposed Ordinance amending the San Francisco Administrative Code by adding a new Chapter 30, Sections 30.1 through 30.8, to Centralize Workforce Development Efforts Under the Department of Economic and Workforce Development. Presentation by Rhonda Simmons, Director of Workforce Development (Discussion/Possible Action Item). Explanatory Documents: File No. 071056
8. **PRESENTATION AND UPDATE ON SAN FRANCISCO'S ENTERPRISE ZONE (EZ):** Presentation and update on San Francisco's Enterprise Zone. Presentation by Jennifer Entine Matz, Deputy Director of the Mayor's Office of Economic and Workforce Development (Discussion/Possible Action Item). Explanatory Documents: EZ Fact Sheet
9. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)
10. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)
11. **ADJOURNMENT:** (Action Item)

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SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

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JORDANNA THIGPEN, VICE PRESIDENT
FLORENCE ALBERTS
DAVID CHIU
GUS MURAD
RAYE RICHARDSON
RICHARD VENTURA

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

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Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

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Disability Access Policy

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SMALL BUSINESS COMMISSION

NOTICE OF CANCELLED MEETING

SF
552
#1
10/9/07
special
cancelled

TUESDAY, OCTOBER 09, 2007
5: 30 P.M
City Hall, Room 416
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

The meeting of the Small Business Commission scheduled for Tuesday, October 09, 2007 @ 5:30 P.M in City Hall has been cancelled for lack of a quorum. We apologize for the inconvenience.

For questions and meeting information call the Office of Small Business at 554-6134 or email **martha.yanez@sfgov.org**.

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MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
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DAVID CHIU
GUS MURAD
RICHARD VENTURA
VACANT

Small Business Commission

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October 29, 2007 (Special)

SMALL BUSINESS COMMISSION
NOTICE OF SPECIAL MEETING & AGENDA
MONDAY, OCTOBER 29, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

1. CALL TO ORDER AND ROLL CALL

2. APPROVAL OF THE SEPTEMBER 10, 2007 MEETING MINUTES: (Action Item). Explanatory Documents: Draft September 10, 2007 minutes

3. GENERAL PUBLIC COMMENT: Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

4. COMMISSIONER AND STAFF REPORTS: Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

5. PRESENTATION ON THE INDEPENDENT LIVING RESOURCE CENTER (ILRC) MARKETING CAMPAIGN: Presentation, discussion and possible action to endorse ILRC's marketing campaign and outreach effort to small businesses about programs and services available through their organization. Presentation by Lana Nieves, Development and Communications Director (Discussion/Possible Action Item).

6. PRESENTATION ON MEANINGFUL PAYROLL TAX REFORM: Presentation, discussion and possible action related to recent gross receipts data. Presentation by David Augustine of the Office of the Treasure and Tax Collector and Ted Egan of the Controller's Office of Economic Analysis (Discussion/Possible Action Item)

7. EMPLOYEE COMMUTER BENEFITS PRESENTATION: Presentation, discussion and possible action on proposed Ordinance to require San Francisco employers to offer commuter benefits to employees. Presentation by Supervisor Ross Mirkarimi (Discussion/Possible Action Item). Explanatory Documents: Legislative Digest

8. CENTRALIZATION OF WORKFORCE DEVELOPMENT EFFORTS (File No. 071056): Presentation, discussion and possible action on proposed Ordinance amending the San Francisco Administrative Code by adding a new Chapter 30, Sections 30.1 through 30.8, to Centralize Workforce Development Efforts Under the Department of Economic and Workforce Development. Presentation by Rhonda Simmons, Director of Workforce Development (Discussion/Possible Action Item). Explanatory Documents: File No. 071056

9. PRESENTATION AND UPDATE ON SAN FRANCISCO'S ENTERPRISE ZONE (EZ): Presentation and update on San Francisco's Enterprise Zone. Presentation by Jennifer Entine Matz, Deputy Director of the Mayor's Office of Economic and Workforce Development (Discussion/Possible Action Item). Explanatory Documents: EZ Fact Sheet

10. NEW BUSINESS: Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

11. GENERAL PUBLIC COMMENT: Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

12. ADJOURNMENT: (Action Item)

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October 29, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

MEETING MINUTES
Monday, October 29, 2007 5:30 PM

Small Business Commissioners:
Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Richard Ventura
Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez
Members Absent: Commissioner Ventura (excused)

Call to order:
Item 1 - ROLL CALL
The Small Business Commission special meeting on Monday, October 29, 2007 was called to order at 5:36PM.

Item 2 – APPROVAL OF THE SEPTEMBER 10, 2007 MEETING MINUTES
Commissioners pointed out typos on the minutes and suggested edits to the minutes.
Motion to approve September 10, 2007 minutes pending edits (Commissioner Alberts)
Second: Commissioner Thigpen
Ayes: All

Item 3- GENERAL PUBLIC COMMENT
There was no public comment at this time.

Item 4 – COMMISSIONER AND STAFF REPORTS
The upcoming Small Business Procurement Workshop scheduled for Monday, November 13th from 4-8PM in City Hall was announced and it was reported that the Commission had received over 40 RSVP's to date. Commissioners discussed the city's contracting process and concerns about the lack of contracts awarded to San Francisco small businesses were raised and the Commission discussed

inviting representatives from key city departments to address this issue. Commission staff was asked to issue a "save the date" for tentative meetings of the Commission as soon as a date is likely due to concerns expressed by the community about the short notice given for the current meeting. The Commission discussed initiating some environmental issues in the near future and expects to work more closely with Department of the Environment. A status update on the Mayor's Executive Directive requesting departments to assign a liaison to the Commission was requested, and staff reported that 35% of departments had responded, and said full compliance is expected by the date of the Procurement Workshop.

Item 5 –PRESENTATION ON THE INDEPENDENT LIVING RESOURCE CENTER (ILRC)
Lana Nieves of the Independent Living Resource Center (ILRC) presented to the Commission the ILRC's latest campaign. The campaign is aimed at encouraging merchants to be more user friendly. It was reported that the issue came about due to a lack of accessibility in the small business community and a number of related lawsuits that ensued as a result. The goal of the campaign is to deal with the issue not in an adversary way, but in a positive way. The campaign is an attempt to educate business owners about accessibility and how lack thereof directly affects their bottom line. The campaign includes postcards to be mailed out depicting a woman in a wheelchair outside of a second story business not able to get in. ILRC sought the support and an endorsement from the Commission for this campaign.
Motion: Small Business Commission to endorse the ILRC campaign as presented (Commissioner Thigpen)
Second: Commissioner Chiu seconded.
Ayes: All

Item 6- PRESENTATION ON MEANINGFUL PAYROLL TAX REFORM
There was a presentation by the Tax Collector David Augustine, and Ted Egan of the Controller's Office on the city's tax system, specifically addressing the Commissions desire to look into a possible gross receipts tax structure as opposed to the current payroll tax. The Tax Collector's office reported that they added a gross receipts question to the business registration renewal form for 2006 tax bills. The idea was to get some much needed data in hopes of being able to determine next steps. The responses they received exceeded economic predicators and they decided to drill down further. For further analysis they eliminated taxpayers who reported over $5 million in gross receipts per employee and then calculated gross receipts/employees "factors" for each industry. The factors were applied to known employee totals for each industry, obtaining total gross receipts estimates for each. Conclusions and next steps were discussed and explained and it was suggested that any tax system analysis should take into account revenue generation, and also fairness, simplicity, neutrality, administerability, progressivity, incidence, effect on economic growth, and minimization of noncompliance. The process for such analysis should include stakeholders from community, business, and City. Analysis should also examine other alternative to payroll tax, including modification of payroll tax, local income tax, and others. The scope of work and time constraints for any consultant analysis should be clearly defined and agreed upon before work commences. Public comment was taken and included comments in support of the idea to move forward and issue an RFP to hire a consultant to do further analysis and make recommendations. These comments were taken from Jennifer Matz of the Mayor's Office, and Julian Davis of the Revenue Coalition. Nathan Naman of the Committee on Jobs and Rob Black of the San Francisco Chamber both expressed their interest in the issue, stating it is nothing to take lightly and suggested forming a group of stakeholders to discuss and come up with the scope of the RFP before issuing it so that it is equitable for all. After public comment the Commission discussed creating a stakeholder taskforce to come up with a scope of work for a consultant to further look into the possibility of reforming the city's tax structure.
Motion: Direct staff to develop criteria for the creation of a taskforce, and to ask the Tax Collector, the Controller and the Mayor's Office to work together to propose the contours of an RFP (Commissioner Chiu)

Second: Commissioner Thigpen
Ayes: All

Item 7- EMPLOYEE COMMUTER BENEFITS PRESENTATION
Supervisor Mirkarimi presented his proposed employee commuter benefits legislation to the commission. The intent of the legislation is to require San Francisco employers with 10 or more employees either to offer their employees (1) the option to use pretax wages to purchase IRS qualifying transit passes or vanpools charges, (2) employer supplied transit passes or vanpools charges at least equal to the value of a monthly MUNI fast pass, or (3) employer supplied vanpools or buses. It was said that there is some interest in the community to amend the legislation to raise the number of employees an employer must have to be required to provide the benefit, as well as to amend the timing of it. It is intended to encourage commuters to use public transit by lowering the after-tax costs of transit passes, lowering the payroll taxes for employers and removing an obstacle to commuters who fear being stranded in the City without access to private cars in case of family illness or other unexpected event. Questions were raised about the requiring non profits and city agencies to comply, and it was reported that the city currently provides employer commuter benefits, which seem to work quite well. It was not determined if the legislation would apply to non profits at the time. Public comment was taken and it was suggested that employers could potentially benefit from this cost savings program if enough employees took advantage of it. After some additional discussion and public comment from Rob Black of the Chamber of Commerce who expressed support for the legislation, the Commission unanimously approved the legislation.
Motion: Approve the proposed Employee Commuter Benefits legislation (Commissioner Thigpen)
Second: Commissioner Chiu
Ayes: All

Item 8- CENTRALIZATION OF WORKFORCE EFFORTS
Supervisor Mirkarimi presented his proposed workforce legislation which would centralize the city's workforce efforts under the Department of Economic and Workforce Development. It was said that the city's workforce dollars are currently spread out amongst 11 agencies, creating a disconnect and thus a need to reorganize. Under the leadership of the Mayor's Office new Workforce Development Director, Rhonda Simmons, these agencies will continue to administer workforce programs, but they will now be accountable and will be required to work more cooperatively. For example, First Source, one of many workforce programs has been unmanaged since the retirement of the program manager over two years ago. It was said that the entire system has been out of focus and the legislation is an attempt to centralize the efforts and create economic empowerment in doing so. Discussions of the benefit of centralization ensued, including keeping workforce in San Francisco. Questions and comments from both the Commission and the public were taken, including comments from Mr. Rob Black of the Chamber of Commerce who expressed the Chambers support for the legislation, including the complimentary piece to the legislation. After public comment and more discussion it was suggested that the legislation include language on the future of workforce in the city.
Motion: Support proposed legislation to centralize workforce efforts under the Department of Economic and Workforce Development with a friendly amendment to include language to suggest the future of workforce. (Commissioner Chiu)
Second: Commissioner Thigpen
Ayes: All

Item 9 - PRESENTATION AND UPDATE ON THE SAN FRANCISCO ENTERPRISE ZONE (EZ)
The director of the Commission, Agnes Briones Ublade informed the Commission and the viewing public about the city's Enterprise Zone (EZ), stating that there are various tax credits for businesses if they locate in the enterprise zone. She presented a map of the EZ as well as an informational sheet on the EZ and provided a number in case anyone had additional questions or needed more information.

Item 10 – NEW BUSINESS
The Commission discussed tentative dates for the November meeting since the regular meeting date fell on the Veterans Day holiday. They discussed scheduling a status update on the Department of Public Works Construction Contracts Improvement HRC Subcommittee, and introducing a resolution for commercial purchase of hybrid vehicles.

Item 11 – GENERAL PUBLIC COMMENT
Janet Clyde, owner of Vesuvio Café in North Beach asked the Commission about a proposed special hearing on the Health Care Security Ordinance. She said the ordinance is of grave importance to her business once they hit 19 employees, and said she wondered if the Commission would be discussing things about the ordinance that were not fully vetted prior to it being placed on the ballot, and said if so, she would like to participate in any such discussion.

Item 12 - ADJOURNMENT
Motion: To adjourn meeting (Commissioner Chiu)
Second: Commissioner Thigpen.
Ayes: All

The meeting was adjourned at 8:01PM.

SMALL BUSINESS COMMISSION
NOTICE OF SPECIAL MEETING & AGENDA

MONDAY, NOVEMBER 26, 2007
5: 30 P.M.
CITY HALL, ROOM 263
(BOS Committee Hearing Room, 2nd Floor)
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO CA 94102

SF
552
#1
11/26/07
special

1. **CALL TO ORDER AND ROLL CALL**

2. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

3. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

4. **SMALL BUSINESS ASSISTANCE CENTER:** Presentation, discussion and possible action to endorse a proposed resolution on the design and implementation of the Small Business Assistance Center. Presentation by Rich Hillis, Deputy Director Neighborhood Economic Development, Mayor's Office (Discussion/Possible Action Item). Explanatory Documents: Draft Resolution

5. **CAFÉ TABLES AND CHAIRS PERMIT FEE:** Presentation, discussion and possible action on the proposed Ordinance amending Public Works Code Sections 2.1.1 to update the café tables and chairs permit fee and making environmental findings. Presentation by Supervisor Carmen Chu (Discussion/Possible Action Item). Explanatory Documents: File No. 071521

6. **CONSTRUCTION CONTRACTS IMPROVEMENT HRC SUBCOMMITTEE:** Presentation and status update on the Construction Contracts Improvement HRC Subcommittee. Presentation by Joe Cheung, DPW Deputy Bureau Chief of Construction Management (Discussion Item)

7. **NEW BUSINESS:** Allows the Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

8. **ADJOURNMENT:** (Action Item)

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AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

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SMALLBUSINESS COMMISSIONERS
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RICHARD VENTURA

Know Your Rights Under the Sunshine Ordinance

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Frank Darby, Administrator
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office: (415) 554-7724
Fax: (415) 554-5163
E-Mail: sotf@sfgov.org

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Small Business Commission

TEXT ONLY:

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November 26, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, November 26, 2007 5:30 PM
Small Business Commissioners:
Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez
Members Absent: None

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Call to order:
Item 1 - ROLL CALL
The Small Business Commission special meeting of Monday, November 26, 2007 was called to order at 5:35PM.

Item 2- GENERAL PUBLIC COMMENT
Marsha Garland, Executive Director of the North Beach Chamber of Commerce addressed the Commission regarding Supervisor Peskin's proposed ordinance creating the Excelsior and North Beach Alcohol Restricted Use District. She said they were never consulted about this, adding that it would greatly impact North Beach merchants. She said the proposed ban in North Beach specifically would impact permits currently in the pipeline, of which there are a few, not to mention the investments already made by the applicants. She also commented on the fact that the ordinance addresses two separate communities, which she felt was the wrong approach and inappropriate. She said these should be separate items. She asked the Commission to consider reviewing the legislation for possible recommendation to the Board of Supervisors. Phil Lesser of the Mission Merchants Association addressed the Commission with regard to the Draft Mission Area Plan (MAP). He presented the Commission with reviews and comments on the MAP as submitted by the Mission Planning Collaborative to the Planning Department. He said the rezoning would have significant implication for the quality of life in the Mission for generations to come. He invited the Commission to tour key buildings in the neighborhood in order to better understand the history and the use of the area. Commissioner Murad asked if the proposed zoning would restrict small businesses. Phil Lesser responded stating that the new zoning would like to restrict large buildings form becoming office uses, and said that they should focus on finding adaptive reuses for these buildings. Commissioner O'Connor said he would be in support of placing a discussion on this on a future agenda.

Item 3 – COMMISSIONER AND STAFF REPORTS
Director Briones Ubalde reported that the minimum wage would be increasing effective January 1, 2008. She directed folks to the Office of Labor Standards Enforcement website for more information including work site posters. She also reported that the state Office of Emergency Services was

accepting applications from small businesses impacted by the oil spill, and said that folks should call (916) 845-8395 for more information on the program. She announced an upcoming Divisadero Street merchant meeting and invited any merchants from that area to attend. Finally she reported on the Procurement Workshop which the Commission hosted with the help of the Office of Contract Administration and several other key city departments, stating that it was a huge success, with over100 participants in attendance. Commissioner Ventura said the workshop far exceeded their expectations, and said it precedes a proposed similar workshop to be scheduled during Small Business Week.

Item 4 –SMALL BUSINESS ASSISTANCE CENTER

Director Briones Ubalde reported that in November 2007, San Francisco voters passed Proposition I, which defines
the functions and duties of the Small Business Commission's Office of Small Business and require it to operate a Small Business Assistance Center. She said Commissioner Chiu and Thigpen had worked together to draft a resolution to ensure the Commissions participation and input in the design and implementation of the Center. Commissioner Chiu said it is important for the Commission to have input and he reviewed the proposed resolution with the Commission for their consideration. He said one of the things they want to ensure with the resolution is that the Center shall support the full diversity of San Francisco's small businesses. Rich Hillis, of the Mayor's Office of Economic and Workforce Development stated that he and his staff had been tasked by Mayor Newsom to work with the Commission on the creation of the Center. He said Prop. I was a huge priority for the Mayor and the reason he assigned his staff to work on this effort to ensure a timely process. That said, he presented a scope of work and said there has already been a lot of work done around this issue, including a study commissioned by the Commission called "Navigating the Maze: Improving the Small Business Experience of the San Francisco Permitting and Licensing Process", the city's Economic Impact Analysis, and SFBizinfo. He said they currently exists, and looking at way to consolidate and improve the process, ensuring all along that the process serves the people it ought to in the best possible way. He said they are reviewing best practices as well as 311, and said the first phase will be to create a business plan for the Center, or how it should function. Phase Two he said would be to look at how agencies can work better together. He said they hope to do this fairly quickly and said he would be open to questions or comments. Commissioner Thigpen suggested creating a work group to review the qualifications for the Director position. Commissioner Chiu reiterated the need to have the Center help all people in many languages. Rich Hillis agreed that this was important and said they would make sure to incorporate this in the business plan. Commissioner Alberts suggested that the Center work closely with the state and federal agencies that offer business support such as the U.S. Small Business Administration, SCORE and State Department of Commerce. She also said it was of great importance that the Center is widely advertised, publicized and marketed, and wondered how this would be done. Rich Hillis said that they would be in contact with the state and federal agencies, admitting they were initially left out of the process. He said they will be seeking to locate the Center in City Hall so that it is highly visible. Commissioner O'Connor agreed that someone involved with the Center should have knowledge of state and federal requirements. Commissioner Alberts wished to confirm that the Commission would appoint the Director and that the new Center would operate under the Commission. Stephen Cornell, a member of the public, former commissioner and small business owner, said the more meetings on the creation of the Center the better.
Motion: Approval of the Resolution (Commissioner Chiu)
Seconded: Commissioner Ventura
Ayes: All

Item 5- Café Tables and Chairs Permit Fee

Supervisor Carmen Chu presented her proposed ordinance that would update the café tables and chairs permit fee by reducing fees. She said they are able to do this because they have been able to have some cost savings due to improved inspection services, which have allowed inspectors to utilize their time more effectively. She said this is due to a three tiered fee structure depending on where businesses fit in, either new, no prior violations, and renewals. She said there is an annual fee and a per square foot fee. In closing she said it is a good thing for small businesses and she asked for support from the Commission. Commissioner David Chiu thanked Supervisor Chu, stating he did not

know anyone in opposition and said he would be in support of it. Commissioner Ventura asked what the average square feet of space of these permits is. Commissioner Chu said these spaces are very small and said on average they are 10x10 feet or 100-300 square feet. Commissioner Alberts asked about the process and how they got to this point. She said it is not usual for the city to find savings and decrease fees, stating that it is usually the opposite. Supervisor Chu introduced Barbara Moy of the Department of Public Works, and said that she could probably respond best to this, but said essentially they analyzed their data and used their time appropriately. Barbary Moy said the objective is not to take a businesses money, but to ensure safety and right of way access. She said the truth is there are a two tiered system, one for folks that comply and one for those that do not. She said they are able to save money off of those people that do not comply. Commissioner Murad thanked Supervisor Chu for bringing this forth. Commissioner O'Connor asked how this ordinance relates or compares to Supervisor Mirkarimi's legislation from last year. Barbara Moy stated that his was a planning code amendment that broadened the scope. Marcia Garland sated she was happy to see this on the calendar and said it was something they proposed a long time ago. Rob Black agreed with Commissioner Murad and said it is definitely a move in the right direction. Carolyn Diamond, a member of the public and Director of the Market Street Association said this would be great for their district and said they are in favor of it. Stephen Cornell agreed with the previous speakers stating it is a good thing, but said there are a lot of businesses that are not able to put stuff out on the sidewalk for display and said it is discriminatory. Barbara Moy said she was not 100% sure, but said she would look into the issue of sidewalk displays and report back.
Motion: Approval of the proposed ordinance as presented (Commissioner Chiu)
Second: Commissioner Alberts
Ayes: All

Item 6- Construction Contracts Improvement HRC Subcommittee
Commissioner Chiu stated that it has been reported that over 70% of city contract go to businesses located outside of the city and said he and others from this HRC Subcommittee are examining why this is the case. He said this is the purpose of the subcommittee. Joe Cheung, DPW Deputy Bureau Chief of Construction Management explained that the contracts in question are construction contracts and include the following city agencies: PUC, Library, and Rec. & Park. He said the contracts were getting larger, but the number of bidders fewer. He said they identified 9 areas that needed improvement and HRC was one of them for its cumbersome process. He said one of the things they have found is that the 10% bid preference for local or small businesses was discouraging folks from bidding. Another thing discouraging folks from bidding is the issue of prompt payment, or lack thereof. He said the latter has improved and folks are reporting getting paid far more quickly than before, but said there are other improvements to be made. He said the big question is how was the 10% preference derived, and should it be higher or lower. He said there are good faith efforts, but contacts are still large. Furthermore he said the contract should be simplified if they want to encourage local and small business bidders. He said they are looking to make changes on several fronts, and said they have started to make recommendations including that creation of an EZ form among others. He said he would like to come back at a future meeting with formal recommendations for the Commissions review and consideration. Commissioner Murad asked for clarification on Prompt Payment. Joe Cheung said that there were reports of contractors not being paid in a timely manner, very commonly 60-120 days before payment was issued. He said there was a lot of internal signing off of sorts that goes on, but reported that invoices are now able to be processed electronically and said that the record now is 2 days, with average being 10 days. Commissioner Chiu said he would like to have Mr. Cheung come back with recommendations and wondered how many of the recommendations may be able to be applied to other department and other contracts such as the Professional Services Contracts. Mr. Cheung replied, a lot!

Item 7- New Business
None

Item 8 - ADJOURNMENT
The meeting was adjourned at 7:13PM.

SMALL BUSINESS COMMISSION
NOTICE OF MEETING & AGENDA

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MONDAY, DECEMBER 10, 2007
5: 30 P.M.
CITY HALL, ROOM 400
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE OCTOBER 29, 2007 MEETING MINUTES:** (Action Item).
Explanatory Documents: Draft October 29, 2007 minutes

3. **COMMISSIONER AND STAFF REPORTS:** Allows Commissioners and staff to report on recent small business activities and make announcements (Discussion Item)

4. **SMALL BUSINESS ASSISTANCE CENTER UPDATE:** Presentation and update on the design and implementation of the Small Business Assistance Center (SBAC). Presentation by Rich Hillis, Deputy Director of Neighborhood Economic Development, Mayor's Office (Discussion/Possible Action Item).

5. **PROHIBITING FORMULA RETAIL IN THE MISSION/BERNAL FORMULA RETAIL RESTRICTED USE SUBDISTRICT (File No. 071561):** Presentation, discussion and possible action on proposed Ordinance amending the San Francisco Planning Code to establish the Mission/Bernal Formula Retail Restricted Use Sub district; and to prohibit formula retail uses in the district; and to establish the boundaries of the district. Presentation by Pilar Schiavo, Legislative Aid to Supervisor Tom Ammiano (Discussion/Possible Action Item). Explanatory Documents: File No. 071561.

6. **GENERAL PUBLIC COMMENT:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration (Discussion Item)

7. **NEW BUSINESS:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item)

8. **ADJOURNMENT:** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available for public inspection and/or copying at City Hall, Room 448. Please call Martha Yanez at (415) 554-6134 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, #448
SAN FRANCISCO, CA 94102
415.554.6134
415.558.7844

AGNES BRIONES UBALDE, DIRECTOR
MARTHA P. YAÑEZ, SECRETARY

SMALLBUSINESS COMMISSIONERS
MICHAEL O'CONNOR, PRESIDENT
JORDANNA THIGPEN, VICE PRESIDENT
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Small Business Commission

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December 10, 2007

CITY AND COUNTY OF SAN FRANCISCO
SMALL BUSINESS COMMISSION
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102
MEETING MINUTES
Monday, December 10, 2007 5:30 PM
Small Business Commissioners:
Michael O'Connor, President
Jordanna Thigpen, Vice President
Florence Alberts, David Chiu, Gus Murad, Dr. Raye Richardson, Richard Ventura
Executive Director – Agnes Briones Ubalde
Commission Secretary – Martha Yañez
Members Absent: Commissioner Ventura

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Call to order:
Item 1 - ROLL CALL
The Small Business Commission met on Monday, December 10, 2007 in regular session. The meeting was called to order at 5:38PM.

Item 2 – APPROVAL OF THE OCTOBER 29, 2007 MEETING MINUTES
Commissioner Alberts expressed her preference for the verbatim minutes, stating that they provided a more complete record of what transpired at the meeting. Commissioner Thigpen stated that the Sunshine Ordinance does not require as detailed minutes as have been prepared by Commission Secretary Martha Yanez. Furthermore she said that the entire meeting is streamlined on SFGTV for anyone to access at anytime with direct link to item number. Commissioner Chiu stated that he was unsure how he felt about the new minutes format and said he would like to think about it a bit longer. Cliff Waldeck, a member of the public stated that with the new Granicus software, folks could view the meeting in its entirety. Commission Secretary Martha Yanez explained that the software would soon allow folks to search for key words which would go to that section in the meetings, and said that SFGOV staff had suggested moving toward a brief summary of the minutes as opposed to the current format
Motion: Approval of the December 10, 2007 minutes as submitted (Commissioner Thigpen)
Second: Commissioner Chiu
Ayes: 4
Nays: 1 (Commissioner Alberts)

Item 3 – COMMISSIONER AND STAFF REPORTS
Director Briones Ubalde reminded the Commission and members of the public that the Commission agreed to expand the Shop Local First campaign this year. She said she worked with Commissioner Thigpen to come up with a revised program, stating that they decided to focus on three sectors of the business community and to issue three requests for proposals. She reported the Commission received proposals for each of the sectors and had agreed to grant the proposals as follows: Mission Economic Development Agency received the Restaurant/Retail sector grant; Business Alliance for Local Living

Economies received the Professional Service sector grant; and Urban Solutions received the Green Business sector grant. She reported that MEDA would launch their Buy Local campaign on 24th Street at Capp Street in the Mission with a Holiday Bazaar on Saturday, December 15th. She invited everyone to attend and support the local merchants in the area. On another note, she announced invited all to attend an event supported by Supervisor Dufty for that evening in the Castro. The event was dubbed Bar Crawl and would be going on from 7-10PM. She said it was a way to give thanks to the Castro businesses who where kind and considerate enough to close down for Halloween.

Item 4 – SMALL BUSINESS ASSISTANCE CENTER UPDATE

Director Briones Ubalde reported that she would be stepping down as director of the Commission to help think through the implementation of the center and said she would be advising the Mayor's Office on the creation and development of the center. She said she would continue to act as director until the new director is hired. Rich Hillis of the Mayor's Office reported that Mayor Office had contracted with a consultant to create an action plan for the creation of the new Small Business Assistance Center or Center. He said the consultant had met with key stakeholders and the main thing everyone seems to agree on is that the Center should do is to help business owners navigate the city's permitting system, and provide referral services. He said it is also important for the Center to have a strong web presence in hopes of answering questions on line before they come into the center. He said they hope to eventually get to a point where folks can access the necessary forms online, and said that the new SBAC should have a system in place to track calls and walk in inquiries so as to keep track but also to help guide policy recommendations. He said it is important that all of these services be multilingual so as to adequately address the diverse needs of San Francisco's business community. As far as staffing, he said they are recommending that there be a director of the Center and the Commission, 3 case managers, and 1-2 program/policy analysts. He reported that they are considering delaying hiring of one position to pay for the tracking system. He said he hoped to come back before the Commission in January to present the formal work plan. Commissioner Thigpen thanked Mr. Hillis, and gave a special thanks to Director Briones Ubalde for all her work with the Commission. She asked what the timeline for job posting would be. She also suggested editing the second bullet in the job description under desirable qualifications to state track record of instead of interest in. She asked if it is suggested to hold off on hiring the other positions until a director is hired. Rich Hillis responded stating that the position would be open until filled, stating that there are other things to do such as locating space for the center, and said that ideally the director would be hired and also have some say so in his/her staff. Commissioner Chiu said he was surprised at Director Briones Ubalde's decision to step down, and said he hoped to continue working together and to see her involved in the process. He expressed concern with regard to the budget cycle and said he feared a lack of funding due to a lack of full staffing levels. He said he would support any efforts to accelerate the hiring of staff and said he could send the job announcement out to a large number of people in the next day if ready to post. Furthermore he commented on the other aspect of Prop. I., which requires a plan within the first 4 months, which details how the Center will work with other 15 or so departments that touch small business, stating that he would like not to lose sight of this and for it to be part of the initial picture. Commissioner Alberts asked how the role of the Small Business Commission would change, and how the Mayor's recent hiring freeze may affect the staffing of the Center. Rich Hillis said the role of the Commission would not change all that much, but said with additional staff there would be more concentrated efforts on the part of the Commission to execute the goal of the Commission and Office of Small Business. Commissioner Murad expressed his concern over the decision of the director to step down, but said that he appreciated the support and enthusiasm she brought to the Commission. He echoed Commissioner Chiu's concern about loosing funding if the Center is not fully staffed as planned. Rich Hillis responded stating that the Commission has until June to hire staff, but said if it is the will of the Commission to hire the subordinate staff before the director that is something that can be considered and up to the Commission. He said it would be a good idea to try to get the director hired before the new fiscal year, since the Board could see the lack of staff by then negatively. In response to Commissioner Alberts question about the hiring freeze and how that may or may not affect staffing for the Center, Mr. Hillis said it would not be affected because this is a voter mandate. Commissioner Thigpen asked when they could expect the job announcement to be posted. Rich Hillis said that they would need to get the

approval form the Department of Human Resources and then it should be ready to post. Rob Black, a member of the public and representative of the San Francisco Chamber of Commerce thanked Director Briones Ubalde for her many years of dedicated service to the people of San Francisco. He wished her all the best and said hopefully she could remain with the Commission. He also thanked the Mayor's Office for their efforts and leadership on the creation of the Center, stating that the Chamber has been working with staff and all seems to be moving in the right direction. Cliff Waldeck commended Director Briones Ubalde for her work and responsiveness over the years. He said the work is challenging for a staff of two. He said he recently had a question about the grants and said he received an answer in a timely manner. He commented on Shop Local First recent grant awards, stating that the Commission had made decided well. He encouraged Commissioners to be persistent and patient, stating that as this develops, it will get tougher. He asked Rich Hillis how he envisions his work on neighborhood issues meshing with the work of the Center. Rich Hillis responded stating that he envisions his staff will work cooperatively with the SBAC. Commissioner Thigpen asked about the physical location of the office and if the Mayor's Office would be deciding that. Rich Hillis said that it is something that they have been working on and said ideally they would like to locate the Center in City Hall, adding that potentially there might be some space for the Center in the Tax Collector's Office. In closing he said he would also be working on drafting the job descriptions of the other positions and would circulate those to the Commission for review.

Item 5- PROHIBITING FORMULA RETAIL IN THE MISSION/BERNAL FORMULA RETAIL RESTRICTED USE SUBDISTRICT

Pilar Schiavo, Legislative Aid to Supervisor Tom Ammiano presented the proposed legislation stating that it would ban future formula retail in the within the proposed boundaries, adding that it is not a Mission wide ban. She explained the definition of formula retail and gave a brief history of the inception of formula retail in the City. She defined the boundaries of the proposed formula retail restricted use sub district, which includes Mission Street between 13th Street to the North and I-280/Alemany Street to the South; Valencia Street, between Duboce Avenue to the North and Mission Street to the South; 16th Street, between South Van Ness Avenue to the East and Guerrero Street to the West; 24th Street, between Potrero Avenue to the East and Bartlett Street to the West; and Cortland Avenue, between Bayshore Blvd. to the East and Mission Street to the West. Commissioner Thigpen asked why they hadn't opted for the conditional use process instead of an outright ban. Pilar Schiavo responded stating that the conditional use process already exists, but is not working as it should, thus the need for the formula retail restriction. She said the ban would actually protect small businesses in the area and said this is of importance to the Supervisor. Commissioner O'Connor commented that he was surprised to learn that Supervisor Ammiano is now concerned about protecting small businesses when he seemed to totally brush aside any small business concerns with respect to the Health Care Ordinance. Furthermore he said sometimes chain stores serve a purpose in some communities, in particular in disadvantage communities such as the Mission. He said chain stores are usually more affordable and serve the needs of the disenfranchised communities that they locate in. Commissioner Thigpen commented on the fact that the area proposed for the formula retail ban is quite large in comparison to the original formula retail ban in Hayes Valley. She wondered if there was any information that had been gathered or data collected on the more recent North Beach formula retail ban, which might compare to the proposed ban, and feared that there is not enough data to support the creation of a new large area ban. Pilar Schiavo stated that the proposed ban will not change the neighborhood, but rather keep it as it is, providing protection for the current vitality of the neighborhood. Commissioner O'Connor pointed out that there are a number of businesses in the Mission that are formula retail businesses and again suggested that these types of businesses may serve as an anchor and could be a good thing for a neighborhood. He said everyone wants to think of McDonalds or Starbucks as the definition for formula retail, but said other neighborhood serving businesses may also be formula retail such as the pharmacy and the music store on the corner of 21st and Mission. Commissioner Murad asked if Whole Foods is considered formula retail and would they be allowed to locate in the neighborhood. Pilar Schiavo responded stating that Whole Food would not be allowed to locate if the proposed ban is in effect because they would be classified as a formula retail under the definition. Commissioner Alberts asked how the legislation came about and how was it

formulated. She wondered if there were community meetings or forums for the public to provide input. Pilar Schiavo responded stating that this has been a long standing issue and sentiments to this regard have been expressed in community forums over time. She said that the Supervisor, working with advocacy groups had reached out to folks over time and this legislation is the result of the work overtime. She reported that the Planning Commission has 90 days to comment on the legislation, and said that MEDA and other groups like them have been supportive of the legislation. Commissioner Murad expressed his frustration with the increasing laws and regulations that make it difficult to do business in the City. He said there are so many empty store fronts and more closing overtime, adding that instead of coming up with solutions to this problem, this seems to be another road block for business development. Commissioner Chiu thanked Ms. Schiavo for her attendance and for having this difficult conversation with the Commission, particularly since the Supervisor and the Commission have not always seen eye to eye on issues. He stated that formula retail could make sense in some neighborhoods but may not make sense in other neighborhoods. He asked if Supervisor Ammiano would be open to suggestions on narrowing the space or area of the ban. Pilar Schiavo said she believed he might be if there was a good argument for it. She said they certainly don't want to be harmful to the business community and the residents. Commissioner Chiu suggested that on merchant corridors with empty storefronts the CU process should be considered, rather than an out right ban formula retail ban. Commissioner Thigpen agreed with Commissioner Murad, stating that she lives in the neighborhood in question and sees the vacant storefronts on a daily basis on her commute to work on public transportation. She said the area south of Cesar Chavez is just starting to come up and suggested that perhaps the boundaries are too widespread. Commissioner Alberts suggested that limiting the economic progress of an up and coming neighborhood is not advisable. She suggested that property owners be involved in the process, and to look into the reasons for vacancies so as to better understand the dynamics of the neighborhood. Commissioner Murad suggested that the area in question is being compared to other neighborhoods and said this is not appropriate, adding that the spaces in this neighborhood are quite large and the process of filling them often takes upwards of 9-12 months to get a hearing. Commissioner Thigpen asked if the Supervisor would lend his support for the Commission to have a special hearing or public forum on this issue. Phil Lesser a member of the public and representative of the Mission Merchants Association talked about the need to find adaptive reuses for the buildings in the Mission. He said there was no outreach on this issue and said he and no one else he knows had been contacted about the proposed legislation. Jaime Trejo, a member of the public and representative of MEDA said that he did not appreciate the Commission badmouthing the Mission, adding that the Mission is clean. He said there is plenty of space for formula retail and said that they wish to keep some spaces for small businesses. He said the Mission is a unique street and he disagreed with the statements about the empty storefronts, adding that there is a lot of foot traffic and small businesses need support. Rob Black stated that Hayes Valley wanted the ban in their neighborhood and there was strong community support for it, whereas the Mission is quite different, and there appears to have been little if any community outreach. He said this idea of knowing what is best for a community or neighborhood and imposing of laws and regulations without proper outreach is the wrong approach in supporting small business. He was excited to hear that Supervisor Ammiano maybe open to further discussion on this issue and recommended that the Commission reject the legislation as presented. Commissioner Thigpen stated that the comments mentioned thus far should not be taken as a criticism of the Mission, and said this confirms the need to further discuss the issue in a public forum and the need for community input.
Motion: Commission to do proper outreach and have public hearing on the item at a future meeting (Commissioner Thigpen)
Seconded: Commissioner Chiu
Amendment: Reach out to Supervisor Ammiano and include his office in the public hearing (Commissioner Alberts)
Ayes: All

Item 6- General Public Comment
Phil Lesser extended an invitation to the Commission to attend a walking tour of the Mission on Tuesday, December 11th. He said it would be a great opportunity for Commissioners to visit the

buildings and see the type of buildings there first hand. He said Planning Commissioners were also invited and said some business owners will be on hand to help answer any questions about their spaces and the proposed impact to the businesses as a result of the draft Mission Area Plan.

Item 7 - NEW BUSINESS
None.

Item 8 - ADJOURNMENT
The meeting was adjourned at 7:22 P.M.

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